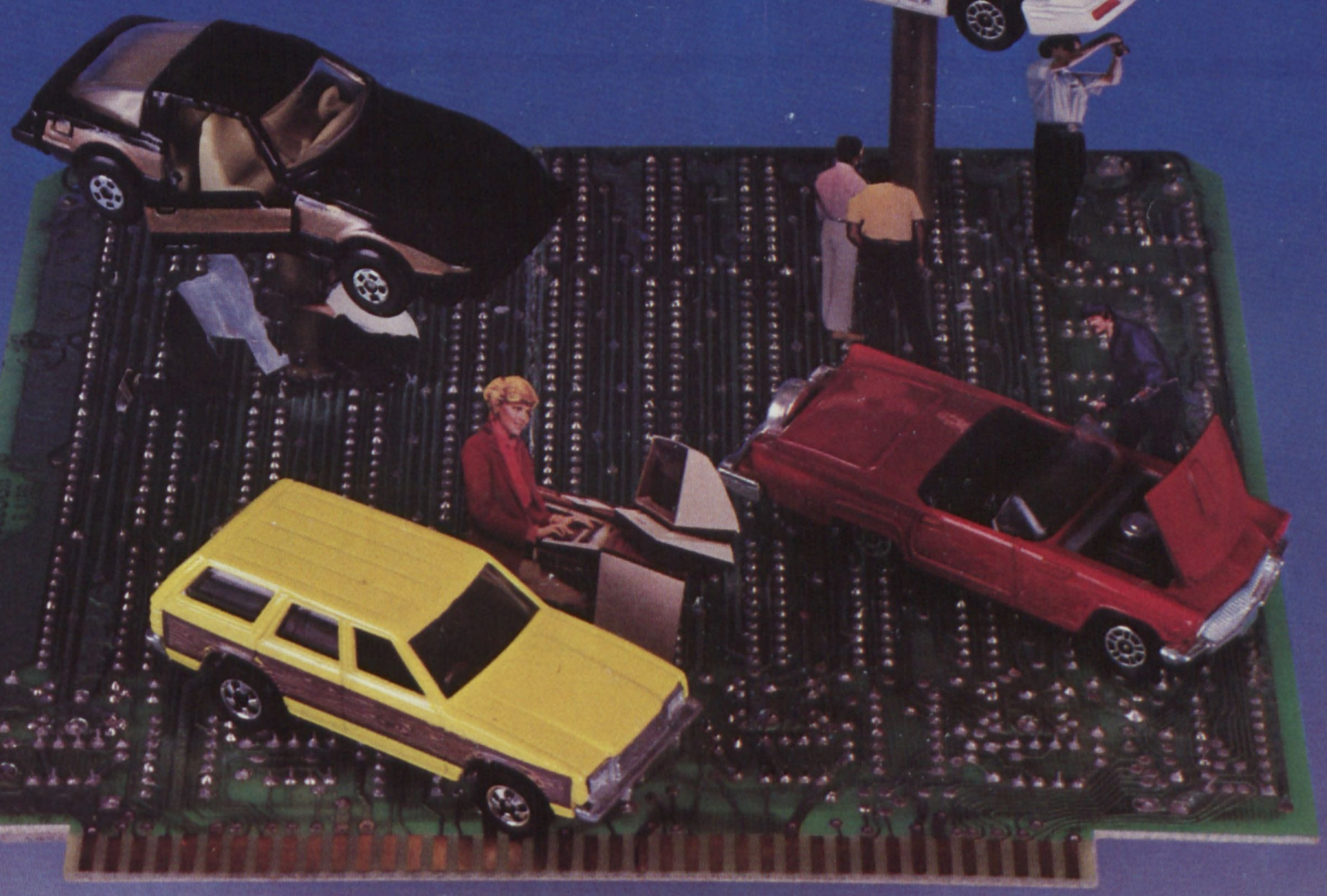
AUTOMOTIVE EXECUTIVE

OFFICIAL PUBLICATION OF THE NATIONAL AUTOMOBILE DEALERS ASSOCIATION

January 1984

Computer Connections:
Putting the "Byte" on
the Service Department



AUTOMOBILE



Our policy is simplicity.

There are two kinds of insurance coverage for the business you're in.

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One of your best salesmen is always in, if you put it in your GM cars and light trucks.

And look what Tilt-Wheel accomplishes...



Tilt-Wheel helps sell GM cars and light trucks—lots of them. Day in. Day out. Tilt-Wheel is on the job—helping sell new GM vehicles—on the showroom floor—or out on demo drives. It's always on the job. Maybe that's why Tilt-Wheel Steering sales are up a whopping 46.2% since 1980.

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Tilt-Wheel offers buyers a lot for the money. It's one of today's great bargains at just $110 MSRP, while returning up to $100 at resale, based on current leading used car guides.

Put Tilt-Wheel to work selling your new GM cars and light trucks.

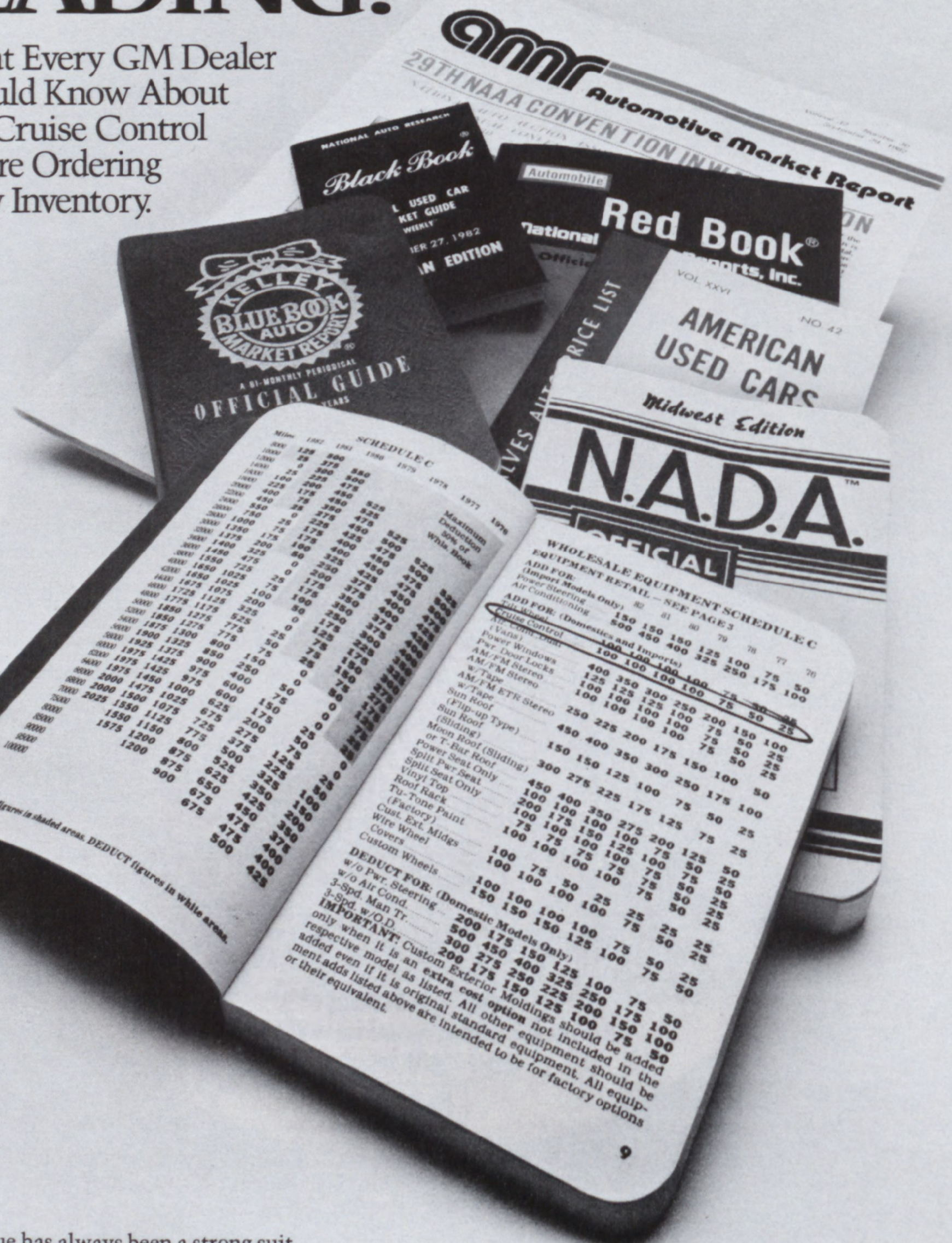
Saginaw GM

Tilt-Wheel
It does so much...
yet costs so little.



RECOMMENDED READING:

What Every GM Dealer Should Know About AC Cruise Control Before Ordering New Inventory.



Retained value has always been a strong suit of AC Cruise Control. It helps sell the car and adds profit at the time of sale. It also adds value at the time of resale for the customer (according to current used car guides). It can help make that trade-in a more attractive and quicker-moving used car, too.

Next time you order your cars, order K-35—the option that helps sell its car over and over again. *AC Cruise Control, the profit option.*



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NADA Commentary

Mandatory Safety Belt Use—Our Best Solution

In 1982, 15 years after the government mandated safety belts in all U.S. passenger cars, 44,000 Americans died in highway accidents. More than half—23,000 men, women and children—were killed in passenger car crashes.

The greater tragedy, however, is that most were *not* wearing safety belts at the time of their crash. In fact, reliable estimates put regular safety belt use at only 14 percent nationwide, despite their presence in almost all passenger cars.

Today, government is being pressed to mandate more safety into passenger cars. While we agree that action must be taken to reduce injuries and save lives, we think the means already exist.

The quickest way to reduce passenger car deaths and serious injury is to make people use existing protection—their safety belts. Mandatory seat belt use is the answer. In fact, NADA's Board of Directors has voted to press for federal incentives for mandatory seat belt use legislation at the state level.

The belts are already in place, mandated by the government. Innumerable tests show that they work. All that's needed is incentive to make people use the belts.

In 22 countries in the developed world today, mandatory seat belts are saving lives and reducing injury. Even the "Iron Curtain" countries have such laws, recognizing the need to protect their citizens.

Proponents of air bags or passive restraint systems ignore the facts. Both are unproved in general use. Both are very expensive. And, even if mandated into passenger cars, it will take 10 to 15 years for them to have any safety impact. (That's the length of time it takes to replace the existing passenger car fleet.)

Further, as most know, air bags work only in direct, frontal collisions, and protect only front-seat occupants. More to the point, air bags *require* lap belts to be effective. Otherwise, when the bag deflates, occupants can still be thrown about the vehicle.

We haven't even considered the service and repair question. Most dealers remember the consumer problems they encountered with the federally mandated belt-ignition interlock system in early 1974. All, no doubt, remember the outcome.

And we're not considering what the cost of such systems could add to the base cost of today's already expensive cars. Dealers, better than anyone else in the business, know just what costs the consumer will bear. But, setting all these technical arguments aside, it seems to us that the need for quick action dictates the course that must be followed if lives are to be saved immediately.

Safety belts are already in our vehicles. They work. They can save lives and prevent serious injury if they're used. What we need are incentives to force use.

If we must have government intervention, and we think the situation is serious enough to warrant it, then let's have effective rulemaking.

Let's push for mandatory safety belt use. It can save lives now. And that's the real issue. □

We've put it all together so GM Dealers can do it all.

General Motors Acceptance Corporation practically invented automotive financing. When we set up shop over 63 years ago, car financing was almost unknown.

Since then, thousands of GM Dealers (and millions of new-car buyers) have come to depend upon GMAC for their financing needs. As a matter of fact, we've extended more automotive credit than any other financial institution in the world. That makes us your most experienced automotive credit source.

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Whatever your financing requirements—retail, wholesale, leasing, daily rental or a capital loan—GMAC is ready with plans and know-how to help make your dealership the transportation center in your community.

We're committed to helping GM Dealers do it all.

GMAC
THE FINANCING PEOPLE FROM GENERAL MOTORS











Complete Dealer Financing Services

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OFFICIAL PUBLICATION OF THE NATIONAL AUTOMOBILE DEALERS ASSOCIATION



Cover by Alex Lewis; photography by Bob Grove

AUTOMOTIVE EXECUTIVE
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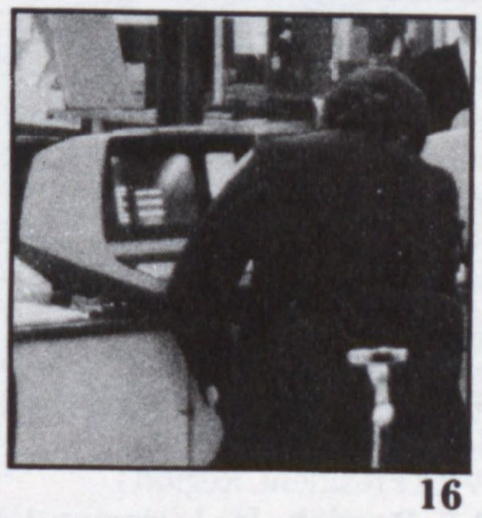
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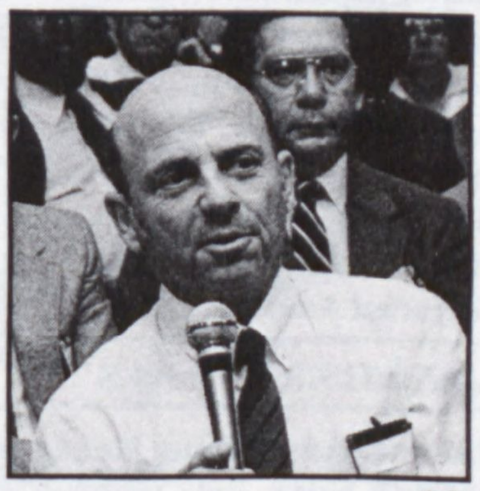
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ADVERTISING OFFICES

National Advertising Manager/ Eastern Sales, Judy Solomon
Automotive Executive
8400 Westpark Drive
McLean, VA 22102-3593
(703) 821-7160

Midwestern Sales Representative
Jon Kaufman
Publisher's Marketing Group
P.O. Box 343
Prospect Heights, IL 60070
(312) 577-0756

Southwest Sales Representative
Ken Geelhood
The Geelhood Co.
1199 NASA Road One, Suite 201
Houston, TX 77058
(713) 488-8417

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15720 Ventura Blvd., Suite 610
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20-Group Ideas

Setting Performance Goals

Frank Yanco, an NADA 20 Group dealer from New Hampshire, found that every time he was the "low profit" dealer in a particular department at a 20 Group meeting and went home to talk to his department managers about the problem, the managers tended to focus on the location, size or other variables of the profitable 20 Group dealerships as excuses for the profit discrepancies. To help the managers set realistic and positive goals, Yanco began averaging the top five performing dealers in his 20 Group and used that number as the basis for discussion with his managers rather than the performance standard of a particular dealer. Using this method has helped Yanco and his staff set realistic, yet aggressive performance goals, and has made the monthly 20 Group composite one of the most valuable team-building tools in his dealership. ■

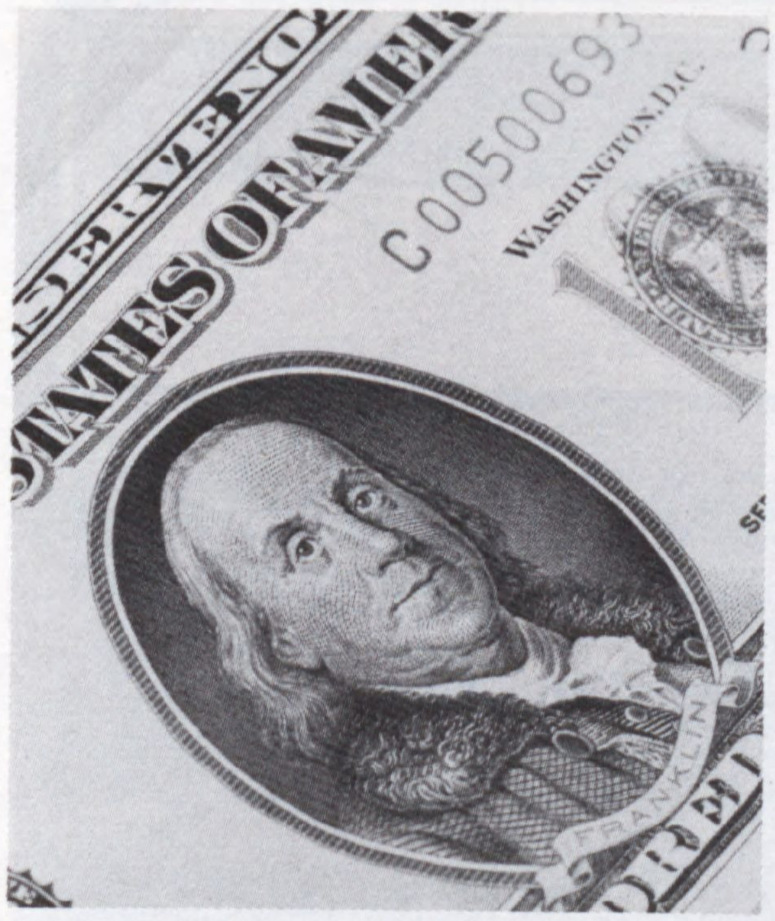
New Ceiling Saves Energy
Bob Steenbergen of Steenbergen Oldsmobile-GMC Inc., Ashland, KY, reports success with the installation of a dropped ceiling in his service department. Insulation was added above the ceiling and ceiling fans were strategically placed. There has been a marked improvement in the appearance and comfort levels of the department, and energy costs have been substantially reduced. ■

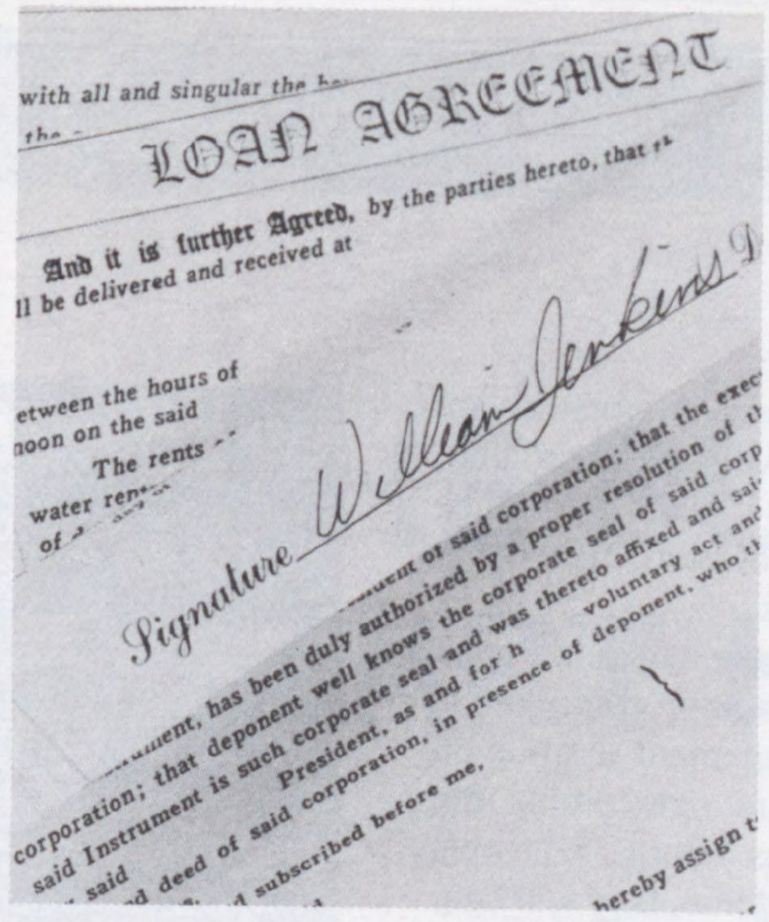
Improving New Vehicle Prep
Need an incentive to improve the quality of new vehicle preparation? Adler Johnson of Sonju Motor Inc. in Two Harbors, MN, has initiated the following idea in his dealership. He printed stickers to be put on all new units which read, "This car has been prepared with pride and craftsmanship by _____." Upon completion of the new vehicle prep, each technician signs the sticker. Not only is this a psychological incentive, but it is an easy way to track preparation quality by technician. ■

A Different Way To Buy
The used-car manager at Chris Motors in Smyrna, GA, has a different approach to buying for the lot which has proven productive. He visits the more isolated outlying markets. His rationale is that these markets are bypassed by wholesalers, buyers and used-car managers for many of the larger metro used-car operations. Also, being in a rural area, these isolated markets have a weaker retail demand factor for medium- to higher-priced used imports. The rural dealers appreciate having a wholesale contact and there is often no competition for these wholesale units. ■

Livening Sales Meetings
Are your sales meetings becoming dull? Bob Karcz of Karcz Ford in Pulaski, WI, assigns a salesperson to present a "six-position sell" on a particular car or truck at each meeting. Because the salesperson is making the presentation to his or her peers, he or she is motivated to research the vehicle and become the staff expert on that product. The sales staff learns more quickly from a face-to-face presentation than from a video disc or written material, and management has an opportunity to preview the type of sales presentation made on the showroom floor. ■

Better Lighting at a Low Cost
Kenneth Nieman of Good Chevrolet in Renton, WA, replaced his old outdoor lighting with newer energy-efficient, low-maintenance lights at a nominal expense to the dealership. Through the federal government, his local power company supplied a grant for 70 percent of the replacement cost of used-car lights, sign lights and lights for display, parking and security. He projects that the remaining 30 percent of the cost will be absorbed in less than three years through energy and maintenance savings. □







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Make you money through an exclusive Retail Residual Value Program that sells more cars plus gives you an additional source of income.

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Executive Notes

GM unveils Saturn Project. General Motors has announced its Saturn Project, a development program for a new family of subcompacts it plans to produce in this country, using start-to-finish innovation to become cost-competitive with small Japanese cars.

GM Chairman Roger B. Smith said, "These cars and the innovation they represent in integrated design, engineering, manufacturing, assembly, materials management and human relations will be an historic step toward overcoming the Japanese cost advantage in small cars. As Saturn's concepts then spread throughout our entire product line, they will help ensure that the American auto industry remains competitive and is able to provide secure, good-paying American jobs." ■

Computer assistance. Chevrolet Motor Division has a new, computer-assisted program for dealership service personnel. Using a toll-free telephone number, the dealership can call one of the 16 technical consultants at Chevrolet Central Office; the consultant can access a computer, which will provide the probable problem cause and appropriate repair for a vehicle.

"Our new Technical Assistance Network will help our dealers service customers' vehicles more quickly—by reducing the time needed for diagnosis—and more correctly—by providing the latest available technical information," said Robert E. Cook, Chevrolet general sales manager. ■

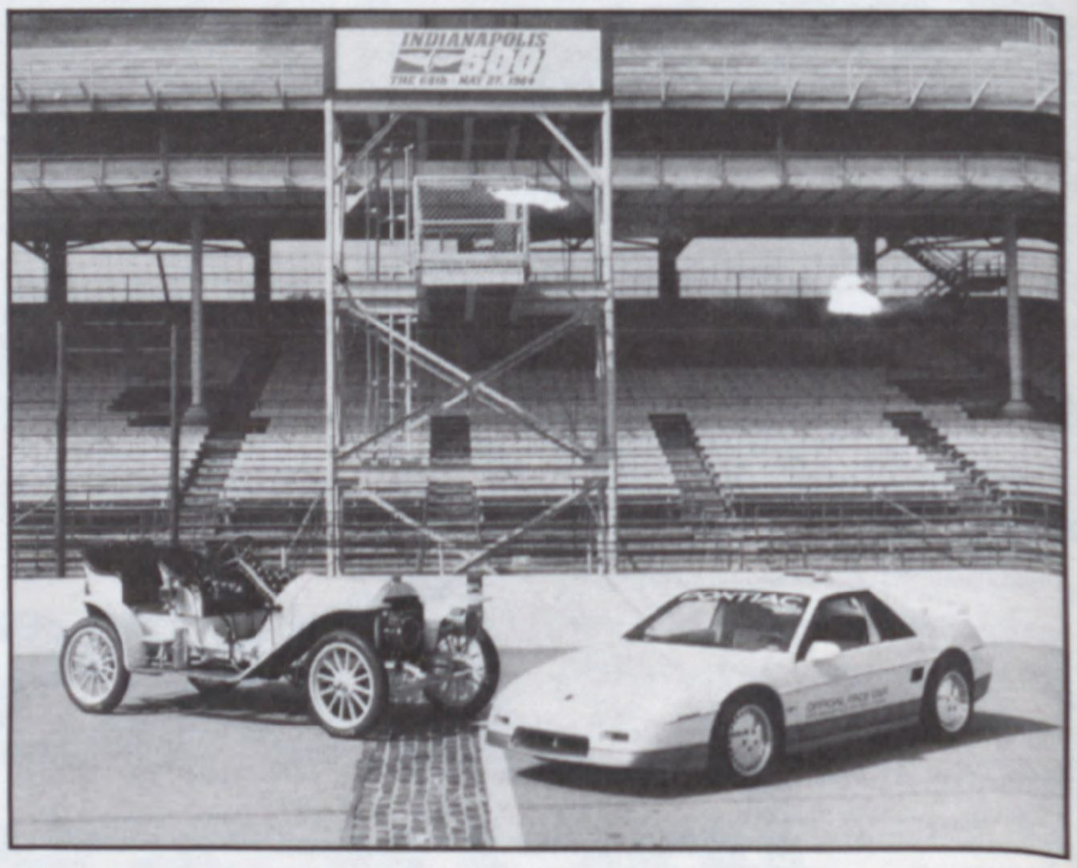
Ford of Germany's Merkur. A North American version of Ford of Germany's successful Sierra sports sedan will be sold in limited volume in the U.S. and Canada by Lincoln-Mercury under the name Merkur (pronounced "mare·COOR") starting this fall. Merkur is the German word for Mercury.

"This is the first vehicle of a brand of limited-production specialty cars from Ford of Germany that will be sold by Lincoln-Mercury to North American car buyers who want vehicles of European heritage," said Philip Caldwell, chairman of the board of the Ford Motor Co. ■

Car color affects price. Bright red and beige are the colors most preferred by the used-car buyer, says the management consulting firm of Runzheimer and Co. Inc. Green is unpopular, while blue is all right if it is not too light. Yellow, white and metallic are not much in demand. The right colors can make as much as $300 difference in the selling price of a car. ■

U.S. cars have lowest injury experience. According to a study by the Highway Loss Data Institute (HLDI), the cars with the best injury experience were predominantly large station wagons and regular four-door models; no two-door models made the list. Eleven of the 12 cars that had at least one claim frequency that was more than 30 percent better than the result for all cars combined were manufactured in the U.S.; eight of these cars were made by General Motors.

The cars with the worst injury loss were predominantly small two-door models. Of the 17 cars that had at least one claim frequency that was more than 30 percent worse than the result for all cars combined, 15 were Japanese imports. ■



The 1984 Pontiac Fiero Indy pace car with the first pace car in the history of the event, a 1911 Stoddard-Dayton.

Fiero to pace Indy 500. Pontiac's mid-engine sports car, the Fiero, will be the offical pace car for the 68th Indianapolis 500 Mile Race on May 27. The Fiero will be the first four-cylinder car to pace the Indy classic since 1912, when the field was paced by a Stutz.

Pontiac will offer 2,000 replicas of the Fiero Indy Pace Car at dealerships in April, which will be very similar in appearance to the actual pace car. ■

Production increases for truck manufacturers. Two truck manufacturers have announced increases in production. Mack Trucks Inc. is currently phasing in a major production increase, estimated at approximately 43 percent, involving all of Mack's production facilities. This increase comes on top of a 40-percent rise in production rates announced on October 5, 1983.

And International Harvester's Truck Group has increased its overall truck production 20 percent. Production of heavy IH trucks is being increased by 42 percent, while medium-truck production will be stepped up 8 percent. ■

Rising use of seat belts. Public- and private-sector efforts to promote safety belt usage actually may have convinced more consumers to buckle up, according to *The Power Newsletter*, published by J.D. Power & Associates. Use of seat belts from May 1982 to May 1983 has gradually increased, according to the findings of four different Automotive Consumer Profile (ACP) surveys during that period.

While frequent and occasional use of passenger restraints has remained stable, fewer driving-age consumers in the most recent survey say they never use seat belts—36 percent—compared to 42 percent a year earlier. Consumers who always use seat belts increased four percentage points during that period. The most recent ACP survey shows one in five consumers always buckles up. □

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When your customer accepts the keys to that new car. But those all important service department dollars keep paying long after the new is off that car.

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Auto Association News

ATAM Winter Meeting Set

The Automotive Trade Association Managers (ATAM) will hold its annual Winter Meeting February 2-3, at the Loews Anatole Hotel in Dallas. The 104-member international automotive executive organization represents associations in the U.S., Canada and Mexico.

A meeting of the ATAM board of directors also will be held in conjunction with the annual conference. General business sessions and workshops for state and local association executives will be conducted during the meeting. Workshops will deal with a variety of topics including insurance programs, association dues, automobile shows, dealer education programs and government regulations. ■

Designated Driver Month

The Auto/Truck Dealers Association of Greater Milwaukee focused on December as "Designated Driver Month" in an attempt to reduce alcohol-related traffic accidents.

A multi-media campaign, embracing television, radio, newspapers and outdoor billboards, urged those who knew they would be partying to select a "designated driver" in advance to take over the wheel of their vehicle "to prevent needless accidents." ■

"Officer of the Month"

The South Florida Automobile Dealers Association is an active supporter of the Dade County Association of Chiefs of Police's "Outstanding Officer of the Month" award program. The SFADA presents a $500 appreciation check to each selected officer in recognition of "exemplary service to the community." Pictured in this photo (opposite) is a recent awardee, Office Craig Collins of Opa-Locka (second from right), being presented with his award by SFADA board member Frank Boulton. Also sharing in the ceremonies were Opa-Locka Police Chief Bob Ingram (far left) and Collins' mother. ■



"Annie" Donation

The New Car Dealers Association of Metropolitan Dallas and the NADA Charitable Foundation recently donated a "Resuscitation Annie" doll to Childrens Medical Center. The doll will be used to train hospital staff and volunteers in cardiopulmonary resuscitation (CPR) techniques. Pictured in the photo (above) with Annie are George Farr (right), of the Childrens Medical Center, Henry Butts (center), NADA director for North Texas, and Kim Ross, executive vice president of the NCDA of Metropolitan Dallas. ■

Use a Little Restraint

The Iowa Automobile Dealers Association has implemented a child restraint use campaign, with the slogan, "For Your Child's Sake...Use a Little Restraint." The campaign consists of literature and posters for display in dealerships, outdoor advertising, radio spots and press releases.

At a press conference addressing statewide effort to promote greater use of child restraints, Iowa Governor Branstad was joined by Secretary of Transportation Elizabeth Dole, who praised IADA efforts. Dole made special mention of the contribution of 100 child restraint seats by dealers across the state to the Iowa DOT county loaner programs. ■

HADA Hotline Organized

The Houston Automobile Dealers Association, in cooperation with the Auto Theft Division of the Houston Police Department, has organized a "Dealer Alert Hotline" to alert area dealers concerning fradulent schemes and other illegal activities in the marketplace.

Upon notification by the police department, HADA will immediately call selected dealerships. These dealerships will contact several dealerships in their respected line groups. In a short period of time, dealers will be warned and will be better prepared to avoid serious losses. ■

American Cancer Society Donation Program

In conjunction with the American Cancer Society, the Greater St. Louis Automotive Trade Association is sponsoring a program that will enable people to donate their automobiles to the Cancer Society.

Member dealers act as receiving stations, where the donors can drop off their cars and title and pick up a receipt and an appraisal of the car's retail value. An auction representative then picks up the car, sells it and remits the proceeds to the American Cancer Society. □



Auto Association News *reports on events at the state and local level. Please send any items of interest to:* **Joan Rubin, assistant editor, *Automotive Executive*, 8400 Westpark Drive, McLean, VA 22102-3593.**

GOOD SERVICE MAKES GOOD SENSE

In January of this year we were introduced to Tricom's Tri-Freedom I dispatching system. In a period of only six months with Tricom we have increased our service department gross profit by an additional 10 percent. We are looking forward to even greater increases when the installation of our Tri-Freedom II system is completed.

The service provided by the entire staff of Tricom has been outstanding and we have found them to be no further away than the nearest telephone.

Dana Martin, President, Martin Cadillac
Los Angeles, California

Dana R. Martin



When you relocate and build a new dealership, as we did, everything doubles . . . personnel, overhead and, thank goodness, business. You really find out the value of a computerized system, and you really can't beat the Tri-Freedom as a service system. In addition, Tricom's organization is first rate—their people are always there when you need them.

Frank Clark, Vice President and General Manager
Ozzie Davis Pontiac–Toyota
Dublin, California

Frank Clark

The Tricom system manages our time rapidly and efficiently and results in increased profits. Our customers know that this means promise times that are accurate and appointments that can be kept. Our operation has greatly improved and our control of shop loading, dispatching, hold for parts, appointments and all other areas of importance is remarkable. We like the Tri-Freedom I so much that we have ordered the Tri-Freedom II and can hardly wait for it to arrive.

Walter McRae, President, Duval Motor Company
Jacksonville,
Florida

W. A. McRae, Jr.



Tricom's Tri-Freedom systems offer the continuous support and quality assurance you need to manage a profitable and efficient service department.

Support and Training. Tricom's installation specialists show you and your department how to make the most of your Tri-Freedom system and how to incorporate it in an overall service management approach. As specialists in the automotive field, we know what your shop needs to reach its full potential.

Quality Assurance. Tricom's Quality Assurance team is dedicated to providing continuous training, service and management consulting programs that are tailored to your specific, growing needs. Our toll free lines are open 24 hours a day to answer questions on the Tri-Freedom systems.

Increased Profits. Tricom's systems offer greater customer satisfaction and increased bottom line profits that will make your service center the number one profit center in your dealership.

To arrange for your personal consultation, call: (800) 621-6977
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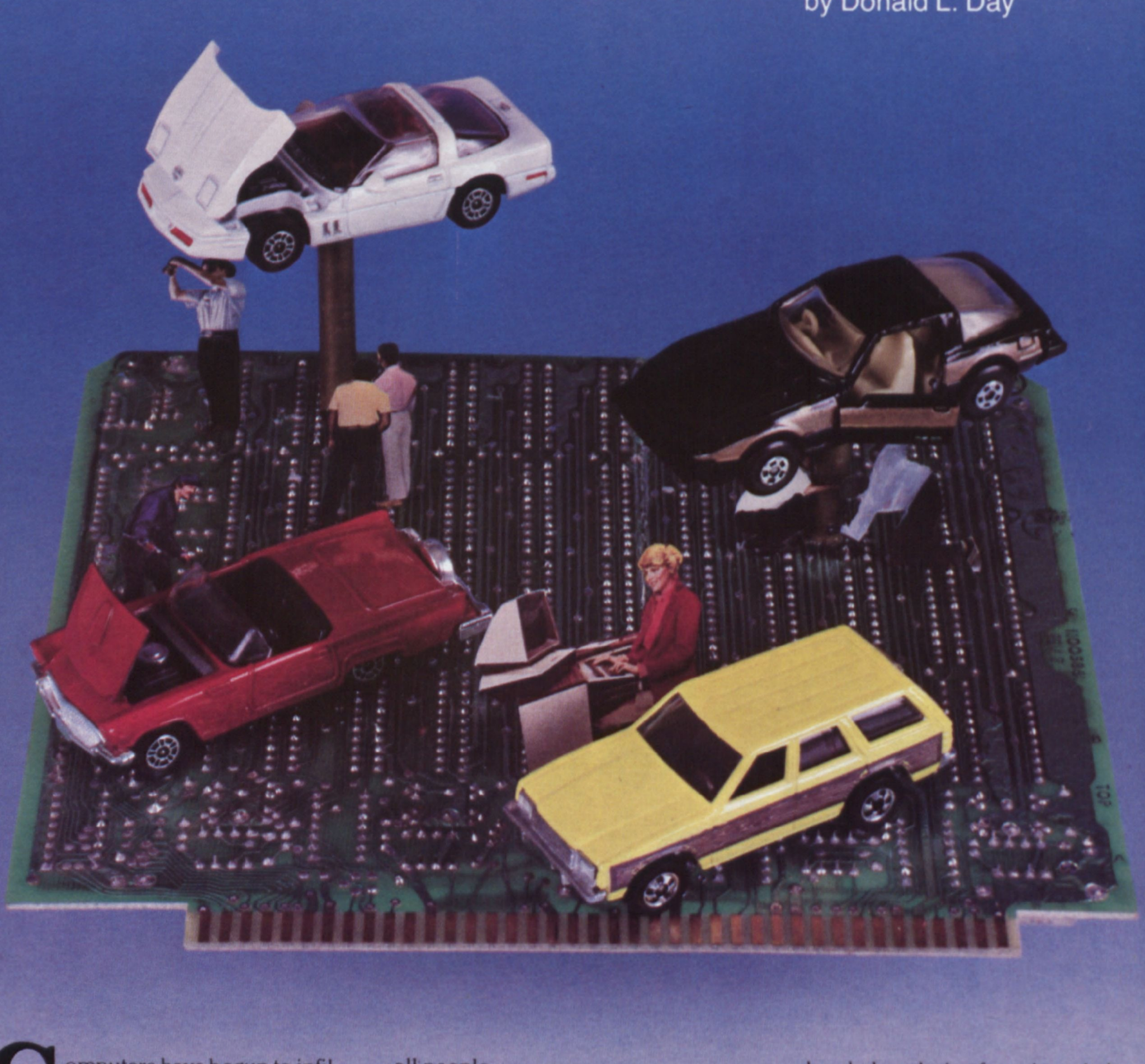
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Computer Connections:

Putting the "Byte" on the Service Department

by Donald L. Day



Computers have begun to infiltrate dealership service departments across the U.S., following their '70s conquest of F&I and sales departments. Concerned dealers, service-department managers and staff now are faced with a bewildering array of hardware, software and services, most claiming to be all things to all people.

It is to be expected that the dealer or service manager's first response must be: "What's in it for me?"

Well, plenty. Or precious little—at this time.

The purchase and installation of expensive, sophisticated electronics gear in your shop requires hard-headed analysis of needs and alternatives, not an emotional, gee-whiz, headlong rush into computer bankruptcy.

Although it's true that eventually most dealerships will rely on computers to some degree, timing is everything. When a computer salesperson walks through your door, it's time to ask some serious questions.

Defining Goals

The first step is to not become mesmerized by aerodynamic CRTs and smug disk drives. Rather, do a careful analysis of the goals of your service department—and of other departments on which you depend.

Table I summarizes some suggested goals, tasks, applications and implementation options which should be considered before that computer salesperson comes knocking at your door. (Although by no means an exhaustive list, it should serve to make the point that few other equipment decisions impact your way of doing business as completely as does computerization.)

Lest you think such an approach is high-technology overkill, think again. Installation of a computer system in your service department, intertwined as it is with every aspect of your business, may very well be the most important decision you make this decade.

Getting Organized

So, before you take step one toward that shiny, new terminal and its mysterious black box cousin (the processor), do some hard thinking about your operation.

Are you organized?

"But," you protest, "that's why I'm buying a computer—to get organized!"

Wrong. Computerization can be a high technology magnifying glass. If your service department is not organized *before* the electronic marvel is installed, computerization can wreak havoc with everything from job scheduling to invoicing. (On the other hand, if your operation is systematic and streamlined, a computer can make higher productivity and efficiency virtually materialize from thin air—and efficiency is the key to improved service-department performance.)

Table I

Service Department and Front Office Objectives Which Can Be Addressed by Computerization

	SERVICE	FRONT OFFICE
GOALS	Profitability Efficiency Technical Proficiency Streamlined Operation	Return on Investment
TASKS	Work Scheduling Labor Allocation Customer Service Service Merchandising Avoid Dupe Warranty More Work/Volume Reduce Comebacks Organize Shop	Activity Analysis Financial Management Lower Cost of Money Encourage Loyalty Interdepartment Balance
APPLICATIONS	Status Inquiries More Labor Sales Service Dispatching Appointment System Accurate Promise Times Service History Fast/Accurate Tracking Flagging Recalls Track Sublets Note Parts Holds	Efficiency & Productivity Reports & Analyses Expediting Cash Flow Increased Staff Satisfaction Personnel Evaluations Interdepartment Communication Avoid Double Bookkeeping
IMPLEMENTATION	Hardware Considerations System Configurations Software Functions Available Database Support Interdepartment Networking Reports Availability Required Input Training	

(GOALS are the highest level strategic targets of the dealership; TASKS are those abstract, but somewhat more tangible operational targets in support of goals; APPLICATIONS are the specific tactics necessary to bring tasks to successful completion; IMPLEMENTATION includes actual requirements of and output from any business management system.)

MAXIM #1

A computer system is a good excuse to organize an otherwise disorganized shop.

Job Scheduling

The first task many service managers think of when circuit boards, modems and CRTs walk through their doors is work scheduling.

How often have you stood aside halfway through an afternoon that died about 11 a.m., watching technicians cleaning their tools, one more time? Don't kid yourself. It happens occasionally to service managers who aren't well-organized in shop loading.

A properly implemented scheduling package can set up work as much as a month in advance, for specific hours of the day. Careful record-keeping, and analysis of task completion times, can make it possible to promise a customer service (for example) during a three-hour period at midday.

Such predictions rely, or course, on reliable estimates of the amount of time required for each task. A system with Oakleaf's service order scheduling package, for example, uses actual on-the-floor experience to update the estimates of typical task time built into the computer. (In other words, initial presumptions are replaced with a constantly revised standard time for each task, fluctuating as shop conditions fluctuate.)

The computer also can monitor technicians' progress on a specific job, adjusting schedule projections (and alerting the service manager to problems). As a byproduct, it also can print job

Donald L. Day is an assistant software engineer for a Fortune 500 aerospace contractor.

priority and time promised onto repair orders, for technician, manager and customer to see.

You say you don't want customers to be able to hold you to specific service schedules? How's your skill with a vacuum cleaner? It had better be good, because in coming years the dealers who can better meet the time needs of customers will be those in business. The rest may be hoofin' it for Hoover.

MAXIM #2

Those who capitalize on the accelerating demand for prompt and efficient service will be survivors.

Impossible? Bobby O'Connell, service director of Mark Buick-Subaru in New York City, knows better. With the help of his computer scheduling package, he has made hour-by-hour appointments work. "At first, I got nervous because I was so used to seeing long lines in the morning. Now the flow is even all day long, and the customers love it—especially the ones who can drive their cars all day, bring them in at 2 or 3 p.m., and be out by 5 p.m. This convenience makes us directly competitive with the mass merchandisers."

Computerized scheduling systems also can see that carryover work is given top priority the next day, automatically. Tasks can be assigned to those technicians who have the skills required by a specific job.

Customer Service

Customer service can be a major factor in deciding whether to computerize your service department.

A Harvard report commissioned by NADA in 1970 concluded that most dealers (1) were sales-oriented, (2) had little interest in the service department as a profit center, and (3) were missing a significant revenue opportunity.

The proof: Consumers refused to bring their vehicles to dealers for anything but major work or warranty claims. Dealerships have lost 1 percent more of the available service work every year since the early '70s.

The General Motors Service Research Department found four common complaints in a study of customer attitudes:

1. Vehicles were not fixed on time, and were not ready when promised;

2. Not all work was done as ordered, and return visits were necessary;

3. It was entirely unsatisfactory to be required to leave a vehicle at the shop all day for one hour's work; and

4. Delays and inaccuracies in repair status reports given during phone inquiries were extremely irritating.

Each of these complaints can be minimized by computerized shop management systems on the market today.

We already have noted the schedule benefits available to silence Complaints #1 and #3. Work sold by actual time available rather than by an average number of cars per day can prevent under- or over-selling.

Automated Repair Orders

As for Complaint #2: Service department software packages offer the capability of generating repair orders (ROs) which include the mundane clerical details of the transaction (name, address, phone, vehicle description, etc.), even as the customer is describing the problem.

Automated ROs key off of the vehicle identification number (VIN), and the service history for that vehicle in the computer's database.

Greg Sutliff of Sutliff Chevrolet (Harrisburg, PA) reports that such packages also depend upon database editions of the popular labor rate guides (for example, Chilton's).

A menu prompt to the advisor can help locate the operation number (from the guide) that is associated with the particular task requested. This number then is used as a direct key into the vehicle's service history, tagging the task with a standardized description (not jargon) which will be intelligible to the customer.

(Later, customer invoices can be generated from the same operation number, already associated with the current job. Serge Chounet of Display Data says a typical invoice lists the complaint, diagnosis, repair, parts ordered, technician, time and subtotal, followed by the amounts due from the factory, extended warranties and customer. Elimination of the need to enter the same information again and again is a major time and productivity benefit of computerization.)

By making it unnecessary to record most routine details, the machine frees the service advisor to concentrate more fully on the actual problem—and to prompt the customer for specific symptoms to ensure the right fix—the first time.

Comebacks and Job Status

If a comeback is necessary, keying the car's license number to an on-line service history will allow the advisor to spot trouble, even as the vehicle enters the service line. (And, if certain technicians are involved in repeated comebacks for the same tasks, the offending mechanics can be reassigned to other work more suited to their skills.)

If the up-to-the-minute status of each job in the shop is kept on the computer, the service advisor can find out at the touch of a button (or two) whether a given vehicle is complete, on parts hold, or awaiting special attention. If a promised completion time is in danger of slipping, the computer can alert the advisor promptly, so the customer can be notified in advance.

Properly applied, that capability can knock the heck out of Complaint #4, as well.

Keeping the Boss Happy

"Ah ha! Now you get to the nub of it," service managers chortle. "Customer satisfaction, accurate scheduling and efficient organization are all fine and dandy, but it's the big guy in the Front Office who signs my paycheck!"

True. As you well know, a firm commitment from the dealer is vital for any significant change in the way of doing business. This goes double for computerization. These big ticket systems impact operations tremendously. And, any time big ticket items are at issue, so is management's holy grail: Return on Investment.

MAXIM #3

Make sure any computer system you buy will reach its break-even point before your boss reaches his.

Return on Investment

Now, return on investment (ROI) may seem more a Front Office concern than one seated in the service department. However, it should be quickly apparent that a properly managed service department package can impact a dealer's bottom line profoundly (for example, by making it possible to avoid hiring an additional service advisor).

First off, the ability to match technicians' skills to those required by specific jobs results in less wasted time, less bungled work. If one hour per day per technician can be salvaged by more sophisticated (computerized) job assignment (not an unreasonable expectation in a medium-sized shop), the dealership could make an additional $80,000 per year.

Paul Gordon of Tricom estimates that the productivity gains possible through computerization can amount to $1,500 per month more gross profit per technician than is possible with a comparable manual system. Given the $24,580 price tag of Tricom's most basic computer package, he says the dealership could break even in fewer than three months.

More Work Per Order

Rapid paybacks are made possible in part by the computer's ability to give the service advisor additional time to detect work which otherwise might be overlooked in the rush to get customers' vehicles in the door.

By seeing that appropriate standard procedures for the repair are itemized on the customer's RO before he or she leaves the shop, the computer makes it possible for the service advisor to impress the individual with the department's thoroughness—and to suggest related work that might be necessary. (Based on recommended maintenance schedules and current mileage, automatically printed ROs also can include notations of extra work that might be performed for a specific vehicle.)

The increased time per customer made possible by a computerized repair order system netted a 12-percent average increase per RO for New York's Mark Buick-Subaru.

The continuous analysis of job loads possible with a computerized work monitor also can help the dealership to sell additional service in slower areas of the shop throughout the day.

Table II

Reports Available on a Typical Integrated Computer System

SCHEDULING	Time Technicans Wait for Next Repair Order Time Technicians Spend Waiting at Parts Counter Unassigned Time Average Repair Order Time (today vs. average)
SHOP LOAD	Repair Orders Started, Written, Completed and Carried Over (today vs. average) Percent Completed in One, Two Days and Number Held Over
CUSTOMER SERVICE	Number of Waits, Average Wait Time Unanswered Dispatcher Alerts Service Advisor Promised Times Missed Comebacks
PRODUCTIVITY	Technician Attendance Repair Orders Completed Per Technician Repair Orders Held Per Technician Percent of Time Utilized Per Technician Comparison of Actual Performance to "Book" Values (current and by week and month)
DATA INQUIRY	Sort of Data Alphabetically, and by Date of Sale, Type of Car, License Number, Operation Number of Work Performed, Stock Number, Production Date, Original Salesperson, Mileage and Last Time Serviced
FINANCIAL	Hours Billed Gross Profit Per Time Period Average Revenue Per Repair Order Profit Per Repair Order

Controlling Liability

This is all well and good. But if service managers really want to catch the boss's attention, they should whisper the word "liability" in his ear.

Those dealers unfortunate enough to become acquainted with the term firsthand often do so as a result of their failure to implement a manufacturer's recall campaign promptly and completely.

Typically, shops must phone the manufacturer with the VIN of every new vehicle that rolls through the door, to check whether a recall has been issued. If it has, and the dealers do not bother to call, they are exposed to potentially ruinous liability. (The courts may hold that negligence is indisputable if customer injury results from a failure to exercise reasonable professional judgment.)

Dealers have been put out of business by liability claims stemming from bungled recall campaigns.

How can computerization protect your dealership?

Some systems will place periodic calls automatically to the recall systems maintained by manufacturers (for example, General Motors' CHRIS database). The VINs of vehicles flagged for recall are downloaded to the service-department computer, ready to blow the whistle on any target unit that enters your shop.

Ron Joffe of Straub Motors (Keyport, NJ) feels that the recall feature is especially important if one is dealing with fleet leases. Salespeople swap cars so often that their companies often don't know who has what vehicle when. They wouldn't be able to produce the car for recall work if they wanted to. But when the unit finally does roll into your shop, the computer can flag it immediately for the required service.

Double Warranty Work

Protection also is available against double warranty work. If a warranty operation already has been performed on a given vehicle, the system can alert the service advisor, via its vehicle history file.

By knowing the operation has been performed, the warranty claim can be submitted accordingly, eliminating the mistake of reprocessing a rejected claim.

MAXIM #4

Never be taken in by arguments against "intangible" benefits. Computerizing the service department is a command decision which, like all others, will be made very tangible by your bottom-line profit or loss.

The Costs and the Benefits

Although the price alone of computer systems makes their purchase a serious decision which deserves careful dealer consideration, computerization in the final analysis is an act of faith. It is a rather expensive implementation of the same gut sense of management that drives much of modern business; it will succeed or fail on business skills for the most part unrelated to the technical aspects of computerization.

There are serious costs to be shouldered, costs which are totally divorced from hardware, software and consultant fees. Some of these include installation costs, adding of file space for new reports, upgrading the system in the future, buying appropriate supplies like paper and floppy disks, increased phone bills, and rental fees for database information, to name a few. Adjustments to operational procedure may force a redefinition of job responsibilities, with all the morale and productivity problems that can entail.

Of course, morale is a major consideration whenever major changes are made in the way of doing business. Joffe recommends regular meetings between management and staff well in advance of installation.

And, once transition is complete, improved working conditions can boost morale further by improving the moods of the service manager and advisors, whose attitudes influence all work done in the shop.

Other problems to be faced include a potential lack of flexibility in the new system, and less-than-well-informed computer reps. Sutliff notes that tune-up procedures may be different for each make or model, forcing awkward complexity in skills and procedures programming. He also warns that pre-1980 VINs (which have fewer digits than current numbers) may not provide the necessary data to take full advantage of automated service task packages.

Joffe's experience is that computer reps typically are salespeople. Although they may know well how computers relate to service departments, Joffe says, often they do not appreciate how service departments relate to computers.

Despite such concerns, however, the increased profitability of a service department with a properly configured computer system can be substantial. Potential benefits include:

- increased stock order purchases through manufacturers' parts depots;
- increased trading with other dealers;
- reduced immediate inventory, with savings in space and carrying charges;
- control of customer credit risk through maintenance of detailed service histories, and via links to computerized credit bureaus; and
- generally improved cash flow.

A properly specified system can even issue mailing labels and postcards to remind customers of recalls or of work to be done at recommended service intervals (as defined either by the manufacturer or by the dealer).

Reaching Out to Other Departments

Some benefits of service-department computerization affect other parts of the dealership as much as they do the shop.

The ability to select car types and characteristics from vehicle histories in your database can make it possible for the sales department to locate a (potentially) available used car for an interested buyer. The resulting sale may in turn move a new car for the (now vehicle-less) seller. Or, the ability to sort service records by mileage can make it possible for sales to promote new cars to high-mileage service-department customers.

On the other hand, the parts department can bill items directly to an RO as they are drawn over the counter, keeping stock inventory current and eliminating the need for later (catch-up) posting. It helps all the departments work together, facilitating communication between parts and service, sales and accounting. As Display Data's Chounet puts it, "The back end is like a colander. Computerization can plug the leaks in the service department to retain profits."

Joffe points out that both the parts and service departments are helped if computerized histories allow preordering of seasonal parts and supplies. Inventory can more nearly match anticipated near-term needs, bolstering the dealership's cash-flow position and minimizing parts holds on service-department jobs.

Purchase Considerations

When all is said and done, the decision to invite a living, breathing computer into the sanctity of your service department is a tough nut.

Even after you have done your homework, carefully identifying the goals, tasks and applications which may benefit from computerization, a bewildering world of hardware, software and training awaits you.

The automotive service-department computer market is a highly specialized field, populated for the most part by consulting firms (and divisions of larger firms) which have specialized in your line of work. Typically, someone like Paul Gordon of Tricom will visit your shop to identify your needs, and to suggest a complete package to satisfy those needs.

He will recommend system units, software, peripherals—the entire range of system components. Your choice, however, will be simply which firm to trust, because each computer vendor will prefer only certain types of equipment.

And, certain types of software—which brings us to

MAXIM #5

An impressive hardware configuration without software that fits your needs is like a sleek sports car without gasoline—it may look nice, but it's not going anywhere (and it will cost you plenty in the bargain).

Don't Be Soft on Software

To a great extent, it is the software (programs) in a computer system that will make or break it as a useful tool for your dealership.

Those nice functions (service histories, recall data, scheduling, etc.) are provided via programs written specifi-

cally for automotive service departments by some highly skilled professional who has taken the time to understand your wants and needs. They are not provided by the hardware, any more than the music you hear over the radio is provided by the radio.

Since it is unlikely that you as a dealer or service manager are a computer hack, the system you buy must be "turnkey." That is, you must be able to execute the functions that matter by simply turning the switch, and making simple, straightforward selections. No hocus pocus, and no programming.

The buzzword for this type of system is "user friendly." (You are the "user.") A typical case in point is the ADP service-department package.

As described by Peter Grimshaw and Owen Peterson of ADP, this system presents the user with selection menus to aid in execution of desired functions. Help screens (operational suggestions and explanations) are available throughout to aid you in getting the job done with the least fuss. (In this particular case, the system operational manual is cross-referenced and available on-line—that is, through operation of the terminals themselves).

An important feature is the software's ability to allow users to short-circuit the step-by-step procedures intended for novices once they are familiar with the machine. (Nothing is more frustrating than being forced to step through elementary-level instructions every time you sign-on, once you know the system well.)

Another useful feature is the formatting (presentation) of displays for data input in the form of the source document itself. That is, if your cashier needs to enter information from a repair order, the screen actually shows an image of an RO. Fields to be entered are highlighted to guide the cashier through the update.

Although you certainly, absolutely do not want to get bogged down in programming for your service department, the flexibility of being able to call forth special reports as needed is important. Some vendors allow you to use the BASIC language native to the machine to create or customize software; others consider their software to be proprietary—that is, hands off!

A word of advice:

MAXIM #6

If you bought it, it's yours. Insist on the capability to modify software to suit, but understand the flip side: you may forfeit free warranty service from your vendor.

One more thing software should provide as a matter of course is the means to look into your database in any way that strikes your fancy. If you want to know how many blue convertibles with out-of-state tags and wire rim wheels have been in your shop during the last year, you should be able to find out, quickly and easily. (This presumes, of course, that you keep track of such details on a regular basis.)

This "inquiry" capability usually is provided via a special, English-like language that is very forgiving of your errors in posing intelligent questions to the computer. It makes possible what Oakleaf's Andy Eklov calls "fingertip information for service advisors."



Display Daia

Training

Another important factor is the level of training on (and documentation of) your system which the vendor is willing to provide.

Although state-of-the-art computer systems are easy to operate, and require no knowledge of math, you still will need someone to point out the machine's capabilities in your setting.

The availability of computerized work management makes possible—and requires—a substantially different outlook on how to do business. Sessions by a knowledgeable professional familiar with the package you have bought is vital to cost-effective use of this, your most expensive tool.

That tool's continuing utility also depends in part on availability of a single-source, toll-free vendor hotline to answer questions about system operation.

"What's in It for Me?"

So, what *is* in it for you?

Well, plenty. Or precious little—at this time. A computer for your service department likely will never be more than an (expensive) black box. In one side you will enter the daily flow of repair orders, recall notices and parts requisitions. Out the other side will come automatic invoicing, job scheduling and productivity reports. In large part, what goes on in between may as well be magic.

The net result can be financial disaster for your department, if not for your dealership, if selection and installation are not managed skillfully; it also can be a quantum leap in customer satisfaction, profitability and long-term growth.

After all is said and done, the bottom line remains:

MAXIM #7

Make sure you know what you're getting. Before that black box puts you in a box, turn it inside out.

Third in a series on Excellence in Service

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(For more information circle #14)

Meeting the Competition Head-On



Courtesy Fred Beans Ford-Lincoln-Mercury

How Dealers Can Improve Their Share Of the Repair and Service Market

The growing competition franchised dealers seem to be facing from aftermarket independent shops and mass merchandisers cannot be swept under the rug. Tune-ups, front-end alignments, brake jobs and muffler replacements are also sometimes diverted to the major oil companies—like Shell, Sunoco and Exxon. In addition, local gas stations are snagging a lot of business that dealers want and need.

There are valid reasons why the independents are making inroads into what should be legitimate repeat business for new-car dealers. These shops offer customers a variety of services at what they perceive as lower labor rates and parts costs. But this is often an illusion. The public is treated to a confusing picture in which the critical difference between a mechanic and a factory-trained technician is simply ignored.

One explanation often given for the growth in the aftermarket repair business is that people are holding on to their cars much longer, and sales of used cars are outstripping those of new ones. Therefore, the reasoning goes, once warranties expire, buyers have no particular incentive to return to the dealer for service.

Not so. In 1982, 7,959,000 used cars were sold, against 7,979,000 new ones. An almost perfect equilibrium. And in 1983, the scales tilted even more toward new cars. The used-car market through April 1983 showed a 2-percent increase over 1982, while new-car sales took a 15.3-percent upward turn through August.

by John Bentley

So what's really going on? And what's the future for dealer aftermarket service business?

Automotive Executive surveyed a cross-section of U.S. dealerships, representing GM, Ford, Chrysler and a leading importer, asking them, "How can dealers improve their share of the repair and service market?"

Increasing Productivity

NADA Service Systems tells dealers how they can increase productivity in the service department. After *Automotive Executive*'s August 1983 cover story on the program, NADA has been flooded with dealer inquiries and requests for help. Of the many dealers who have signed on since August, several have written glowing letters to the program's director. Some of those letters are excerpted below.



"During the first two months, we incresed flat rate hours produced per repair order by 340 percent with three fewer mechanics. Absorption increased from 60 percent to 95 percent and we are now recruiting another mechanic to handle the business we thought wasn't there."

"We eliminated our backlog of five to seven days and can handle walk-ins, emergencies, used cars and new-vehicle prep on a daily basis. This management system also eliminated our problem with paper flow."

"NADA Service Systems added a new dimension to our shop. It not only has resulted in a more efficient work flow system, but also in a more even distribution of the work, resulting in a reduction in employee grievances. It has allowed us to lay off one technician and increase productivity at the same time—we know the system will have far-reaching effects—all good."

"We have been a dealer since 1940. We tried to put in a Ford Loading Board 10 years ago and it failed miserably. I heard about NADA Service Systems in *Automotive Executive* (August '83). Alan Flores installed our system and everyone is elated. Mechanics' production went from an average of 80 percent to 130 percent in one week. Service managers are happy. Customers are happy because we take anything that comes in the door. It is the greatest system and made believers out of our service manager, service dispatcher and service writers. Our service people developed a real faith in the system when they saw it operating on the second day of the installation."

If you would like to learn more about what the program can do for your dealership, please contact NADA Service Systems, 8400 Westpark Drive, McLean, VA 22102. Telephone (703) 821-7294.

The Service Systems Way

"Legitimate Gripes"

Here's what they had to say. One dealer, who prefers to remain anonymous, says, "Let's face it, many customers have legitimate gripes about poor warranty service and repair work. To start with, the dealer who sold the car insists on treating the customer like a stranger when it comes to service. That means inflicting a lottery situation on the owner.

"The customer is told, 'We open at seven-thirty. First come, first served. Line up and draw a number. If you care to wait, okay. If not, give us a call and we'll tell you when to pick up your car.'

"Often the customer isn't told the repair shop already has a backlog of 20 jobs (left over from yesterday) that take precedence over today's. So how can the service advisors possibly set a time schedule for completion of the job? They can't. If the customer is a nine-to-fiver, tough luck. He's stuck with a double trip to and from the dealer. And suppose the service advisor takes his job seriously? All he can do is tread water and bleed. No wonder the owner is predisposed against the dealer for any future maintenance. This system creates an adversarial situation that costs the service department valuable repeat business."

Accommodating the Customer

"Luckily," says Kathi Gillin, public relations director for a group of five major Pennsylvania dealers comprising Heritage Chevrolet, Fred Beans Ford-Lincoln-Mercury, Dodge-Subaru and Isuzu, all of Doylestown, and New Holland Ford, east of Lancaster, "service appointments are far more prevalent than people think, especially in suburban and rural areas. We wouldn't dream of running our service departments on a lottery ticket basis. We give customers firm appointments, discuss the problem with them, and provide our best estimates *before* the work is started. This eliminates disappointment and frustration through misunderstandings. Our

objective is to keep customers by sending them out satisfied with a job well done, the way they expect it.

"Unfortunately," Gillin continues, "customers too often perceive the image of the aftermarket independent shop as offering the same work at less cost, carried out with a greater willingness to please them. These shops do accept service appointments and strive to eliminate the waste of time inflicted by the lottery system."

But there's another side to this coin. Customers, enticed by what they believe are lower rates for the same job than dealers charge, don't bother to question the ability of the independent shop mechanics, and have no means of checking their knowledge of a particular make and model. They forget that it's not the independent, the oil company or the corner gas station that sold them the cars. They're dealing with a jack-of-all trades. A good one, maybe, but not at the level of a factory-trained technician, familiar with the complexities of the car being worked on.

Another point raised by this group of Pennsylvania dealerships is that repeats and referrals are the backbone of a service facility. "The independents are quick to understand this," Gillin notes, "and go out of their way to accommodate the customer."

The Fred Beans group actively goes after service business on a one-on-one basis that pays off handsomely. The group has outside sales people calling on companies that use cars and trucks for their businesses. They also employ a parts man, full-time. He generally goes out with the manager from one of the dealerships, visiting farmers who use heavy-duty trucks, and lets them know he's interested in their service problems. The farmer need not have purchased his car or truck from that dealer. "If it's a GM product, we can put in our bid for good and reliable service. Taking a little trouble works wonders."

Obviously, this kind of business promotion is not for the urban franchise, but the Beans group also contacts potential service customers by phone; this approach, too, brings in valuable business.

Service Advisor as Salesperson

One of the clearest opinions on how dealers can improve their share of the aftermarket business, despite the competition, comes from Peter Criscola, service manager for Fred Beans Ford. Criscola comes at you like an express train on a polished track.

"The real problem is that there's no orderly system (among dealers) to sell service the way they sell cars, or even parts," Criscola says. "The job of a service advisor is to sell *service*—and that actually means hours spent on any given job—as efficiently and economically as possible. But what options does he have? None, beyond improvisation from one client to the next. Or a resigned attitude that spells, 'You're in the wringer with us!' No wonder people who bring their cars in often go away disgruntled and disappointed. That doesn't happen here, I can tell you."

According to Criscola, even a top salesperson rarely sees more than 60 or 70 customers a month, but a service advisor sees 10 times that many. "Doesn't it make sense that the service advisor, too, should be treated like a salesman and should function as a salesman?" he says. "Where you have an efficient method in place for selling service the way you sell cars and parts, business is bound to increase along with satisified customers."

How is this done? It's simple, really, like all good ideas. "We've compiled a list of 100 most commonly sold service items (with parts and labor), that a customer is likely to need," Criscola explains. "That way we can give him an immediate quote for the job, with a good estimate of the time it'll take. And what's equally important, if the customer comes into contact with two different service advisors, he's not going to get different quotes for the same job."

Naturally, the list is based on an accurate pricing system for parts, says Criscola, but he also keeps an "hour bank" from which the time taken for any given job is deducted the moment the work is completed.

"You have eights hours a day. That's your starting credit. There's no sense in taking on more than those eight hours will accommodate. If you do—and many dealers are guilty of this—the work for a given day spills over into the next day, and the next. This only annoys the customer who goes into a crouch. In the future, he'll probably take his business to a fast service chain."

After all, Criscola concludes, you wouldn't run your checkbook that way. Or if you did, how long would you last before writing an overdraft?

"Far better, make a firm appointment with the customer in the first place, give a reliable time estimate, and if you've used up your hour bank for that day, tell him nicely, "Please come back tomorrow. We can take care of you then. It's a promise."

Independents: No Threat

Al Shockley, president and general manager of Shockley Volkswagen-Audi-Honda, Frederick, MD, says, "We're very service-oriented and have six master mechanics turning out high-quality work." Apparently unconcerned over the inroad of independent shops, he notes, "We don't perceive them as a threat, and I've been in the business 26 years. Modern cars are too complicated for chain store operations whose personnel don't get the specialized training they need. Remember, the average driver does 15,000 miles a year, and during that time brings the car into the dealership no more than twice. Cars have become so good that it's important to make sure they are properly serviced. Highly skilled labor doesn't come cheap, but we're willing to pay the price. Our reputation rests on the work we turn out."

When someone buys a new car today, Shockley points out, "He's into a high-cost investment. He needs protection and we can give it to him.

"We're all for customer appointments at set times. Appointments make sense because they help regulate the work-

flow. They eliminate situations where the service facility is over its head one day, and can't fill its bays the next. And that's looking at it only from our point of view. Naturally, the customer prefers a system that doesn't waste time and cause disappointment.

"Those jack-of-all-trades mechanics [at independent shops] can't really compete with factory-trained personnel. They often do a replacement job without knowing the reason for it. Say an order comes through to replace a battery that has repeatedly run down. A technician would ask the obvious question: 'Is it really the battery, or is there a malfunction somewhere in the electrical system that causes it to go bad?' It could be the alternator, you know, or a short, triggered by faulty wiring. This kind of superficial diagnosis just doesn't cut the mustard. Blindly replacing parts isn't the same as doing a proper repair job."

Mark Roth, president of Roth Chevrolet Inc., Willmer, MN, brings another slant to the problem of the inroads from independent shops, and how dealerships can improve their service status.

"In a rural area like ours, efficient dealerships already have better systems in place. Scheduled appointments with customers are the norm. If we do run a half-hour behind, that's no worse than can happen at your doctor. Even with appointments, you're walking a tightrope. We've been scheduling appointments for the past 10 years and would hate to do service business without them, but I can well relate to the marketplace in large metropolitan areas. City franchises have other headaches to cope with, like customers who don't show up, or people who drive in with a hostile attitude that nothing is going to turn around. It happens.

"The threat from independent shops is there. No question. But dealers can still be competitive if they choose. Even in the matter of price. They can match the fast-chain rates and they should do more to make that clear to the customer. The bottom line is who gives you the most value for your money, and that includes doing the job right. Bear in mind that 30 to 40 percent of the work turned out by dealer service is warranty work. That's because the vastly improved technology built into cars makes them far more complex."

A revealing point made by Roth is that some of the local gas stations have quietly given up on the repair business and switched to selling food.

Sophisticated Technology

"Over the next four to five years," Roth continues, "independents no longer will be able to cope with the sophisticated technology of the modern automobile. Unless some of the majors (oil companies) put in the required equipment, people will turn more and more to new-car dealers for service. However, there's another problem looming up. The job market for trained technicians has shown a steady decrease, despite the closing of dealerships during the recession. Skilled people have gone into other fields, leaving a shortage of qualified individuals anxious to make automotive service technology their vocation."

Tim Thomas, president of Ray Thomas Inc., Chrysler-Plymouth dealers in Cuyahoga Falls, OH, says, "As I see it, the problem of beating the independents at their own game comes down to a couple of key questions. How to turn people into repeat customers; and how to increase business with people you did *not* sell.

"The first answer addresses both questions. The dealer must change the customer's perception that it costs far less to have the work done by an aftermarket repair facility. Here's a typical example. A customer goes to the local service station for a tune-up and an oil change, because he's scared by the $30 an hour labor charge of his regular dealer. But how much less, if anything, is he paying at the corner gas station?

"Obviously he has to understand this, and the best time to convince him is during the warranty period of his new car. You must make him feel good enough to want to return to your service department for other work. If you present him with a service menu that lists various jobs and shows your charges to be competitive with independent shops, he'll probably come back for out-of-warranty work."

However, Thomas points out, you also must study your customer as an individual. Everybody's different, but there are only three types of customers. "First, those who go for a discount chain tune-up because price is their sole consideration. In the end, those people have to come back to us anyway, to solve the real problem. And that's your ready-made opportunity to convert them. Second, those who come to us because someone else can't do their warranty work. For instance, they tried to get a catalytic converter repaired by their regular dealer, but he wasn't equipped to do the job because arc-welding is a specialty. So we took on the referral and it's up to us to keep it. And third, customers moving into our area who can be reached either by direct mail or through word-of-mouth. The smart ones usually call AAA or the Better Business Bureau, but a little nudging won't hurt.

"It's surprising the response you can get from direct mail to residents. Offer a free oil change, charging only for the oil. Or include a booklet with coupons that entitle the recipient to a discount on a front-end job, or whatever. The important thing is to get people in your shop. If they have an adversarial image of dealers—as many do—you can start changing that image right away."

How long does it take? If you're really concerned about competition from independents, you can do it in a year, or following a couple of satisfied visits from the customer.

"It's not a 20-year process," Thomas says. "The main thing is to show the customer you really care—and to prove it!" □

John Bentley is a frequent contributor to Automotive Executive *magazine. His most recent article was "So Brief the Years: The 75th Anniversary of General Motors" (October).*

Counterpoint

The aftermarket repair and service business tends to run shy in voicing opinions on how well auto dealers are fighting back.

Sample responses:

Midas Muffler, headquarters Chicago: A terse "No comment." This leading chain claims to install 12,000 mufflers a day, besides carrying out other services such as brake jobs, front-end work, etc.

Montgomery Ward, also headquartered in the Windy City: "Sorry, no comment. We don't consider ourselves competitive in the market with auto dealers."

Fortunately, there were others whose comments proved useful.

Ed Kaufman, consultant and publisher of the "Automotive Service Market" newsletter, Tenafly, NJ: "The aftermarket service business is a people business, as opposed to a trade or wholesale business. It zeroes in on individuals and treats them as such. Aftermarket independents include some very good people—oil companies, for example. But they haven't done the best possible job. They come up with great promotional ideas but don't stick to them. That costs them a share of the business."

Peter Fischer, manager media relations, Shell Auto Care, Houston: "Customer satisfaction is our number-one concern. We guarantee all work in writing. That translates into honesty."

Fischer points out that the automobile "is a very personal thing. People spend as much time in their cars as they do at home or in bed. So, naturally, they're very sensitive to inequities. But," he adds, "there's enough business for everyone. There are good dealers who follow ethics, and there are substandard aftermarket service stations. However, the overall picture should not be judged by poor performance in either category."

Al Hornstein, public relations director for MAACO, the largest franchise chain of bodyshops in operation: "We devote more management attention to the job than dealers do. We train owners who buy a franchise on how to manage the business efficiently. They go through our Research and Development Center and actually *do* the job!"

Volume is the MAACO keyword. "We paint 350,000 cars a year in the U.S. and Canada."

On auto dealers: "In some areas we compete with them, but in others they're viable customers, believe it or not. The average dealer bodyshop does maybe three cars a month. We do 10 cars a day. There's no way dealers can compete with our volume base price of $150. So they just do the finishing and charge the customer what they like. The arrangement benefits them as well as us."

Julian Morris, president, Automotive Parts & Accessories Association, Lanham, MD: "The aftermarket is divided into two parts: new cars, where dealers have the greater market share; and used cars, serviced by independents." Addressing the equality of new- and used-car sales in 1982, "That doesn't invalidate the fact that the aftermarket firms have by far the major share of all repair business, and it's growing. A used car can be resold several times, and usually is. This has an important bearing on our business," Morris notes.

"And another thing. The average age of vehicles is increasing; the scrapping trade is decreasing. These factors naturally favor the independents. Plus, the ratio of available trained personnel to cars needing work is getting smaller. Dealers don't have an armlock on that pool. The aftermarket also hires good people when it can."

Goodyear's public relations manager, Walt McClenny: "Speaking for most of the tire industry involved in the aftermarket business, we're looking forward to an increased demand for our services, not just tire sales."

Goodyear regularly sends out programs aimed at improving the service capability of its dealers. These programs feature updated technology. "It's important for our people to be more aggressive in handling service and pleasing customers."

Besides tires, "we offer a wide variety of services—front-end alignment, brake jobs, scientifically monitored tune-ups. We've also developed an expertise in tricky ride-and-handling problems that others can't solve."

The moment of truth when dealers lose business to aftermarket independents is when the warranty expires. Car dealers make little effort to improve their service-writing capabilities, McClenny believes. "It's not uncommon for a customer to have to wait an hour before his order is written up. And that's just the start."

Reputable dealers undoubtedly hire factory-trained technicians, "but the notion that the aftermarket employs mainly unskilled parts changers is totally misleading," McClenny says. "We at Goodyear, for example, have four or five training schools for mechanics in places like Delaware, Atlanta, and the Midwest and far west. Promising recruits who don't have the expected track record are required to attend those schools. Our standards are pretty high."

Goodyear also boasts a "nationwide service guarantee, good at 1,000 Goodyear service stores across the country." □

—John Bentley

Comments from the "Competition"

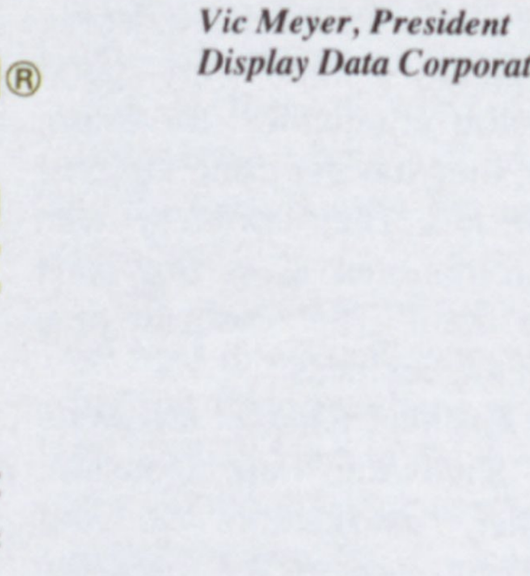
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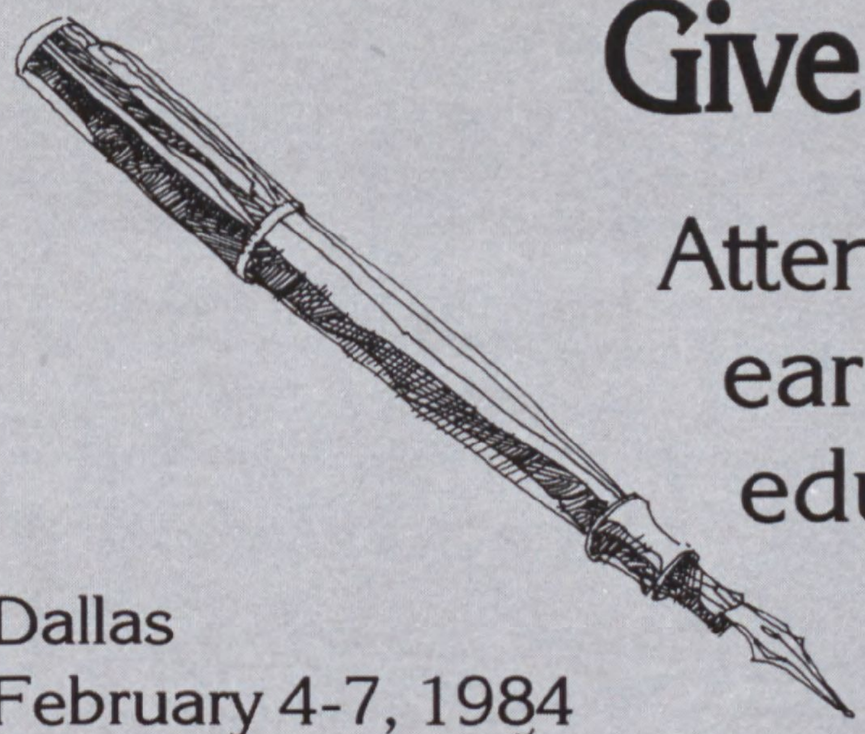
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Give Yourself Some Credit

Attend convention workshops and earn continuing education units (CEUs)

Dallas
February 4-7, 1984



One of the highlights of any NADA convention is the workshop program, and this year is no exception. Additional workshop topics have been scheduled to allow dealers and managers the flexibility to either target their needs in a specific area or choose the widest range possible.

This year, there are 41 workshops in four categories: dealer/employee, sales/lease, service/parts/body and business. Most of the workshops will be repeated two to four times for a total of 141 sessions, all held in the Dallas Convention Center.

And, as last year, NADA will award educational credit in the form of continuing education units (CEUs) to workshop participants.

The following list of workshops is arranged by category.

DEALER/EMPLOYEE

Developing Winning Performance Strategies

In this workshop Newton Long, president of Dealership Organization Development Systems, Eden Prairie, MN, will highlight such management techniques as measuring assertiveness and responsiveness, analyzing self-awareness and managing interpersonal relationships. Room 414.

Sunday, 2:30 p.m.
Monday, 9:00 a.m.
2:00 p.m.
Tuesday, 9:00 a.m.

Keys in Personal and Dealership Excellence

Workshop speaker Louis Tice, president, The Pacific Institute, Seattle, will expand on the self-image psychology for growth, provide tools for high performance, and show managers how to help employees enjoy personal fulfillment. Room 414.

Sunday, 11:00 a.m.
4:00 p.m.
Monday, 11:00 a.m.
4:00 p.m.

Productive People: The Key to the Successful Dealership of the '80s

Herbert Greenberg, president of Personality Dynamics Inc., Princeton, NJ, will use the results of a recent study, detailing the characteristics of the manager of the '80s, to shape the "new" dealership manager for each department. Room 402-03.

Sunday, 11:00 a.m.
4:00 p.m.
Monday, 9:00 a.m.
2:00 p.m.

Stress Management: Less Stress, More Life

Workshop participants will learn what causes stress and how to recognize its symptoms. Bee Epstein, management consultant, Bee Epstein Associates, Carmel, CA, will discuss how to control stressful situations through mental and physical relaxation. Room 411.

Sunday, 11:00 a.m.
4:00 p.m.
Monday, 11:00 a.m.
4:00 p.m.

Establishing Rapport through Communication

Bill Kessler, Vernine and Associates Inc., Knoxville, TN, will discuss how active listening to customer needs can help increase sales. Kessler, a communications specialist, will review listening techniques and how to organize, store and retrieve information. Room 410.

Sunday, 11:00 a.m.
4:00 p.m.
Monday, 9:00 a.m.
2:00 p.m.

Hiring and Firing Employees

This workshop will provide interviewing tips, recommend various performance reviews and suggest steps for discipline and counseling. (Speaker to be announced.) Room 401.

Sunday, 11:00 a.m.
4:00 p.m.
Monday, 11:00 a.m.
4:00 p.m.

An NADA Retirement Plan: Why and How?

Henry H. Tufts, director of NADA retirement marketing, will offer insights into the retirement plans available to dealers through NADA. Room 404.

Sunday, 2:30 p.m.
Monday, 9:00 a.m.
2:00 p.m.

How To Use Employee Fringe Benefits in Estate Planning

While much is said about saving income taxes with employee fringe



benefits, the estate-tax aspects are often overlooked. In this workshop, Paul West, manager, and Grover Lewis, estate planner, NADA estate planning department, will discuss how to use employee fringe benefits in estate planning. Room 215.
Sunday, 2:30 p.m.

How To Get the Most Out of Your Income

Paul West, manager of the NADA estate planning department, will look at several techniques used by some of America's wealthiest families to increase family income. Room 215.
Monday, 9:00 a.m.

Don't Let Uncle Sam Get More Than His Fair Share of Your Family Fortune

Grover Lewis, estate planner, NADA estate planning department, will look at money-saving techniques gained by more than two years of exposure to ERTA. Room 215.
Monday, 2:00 p.m.

SALES/LEASE

Financial Statement Management for the Sales Departments

Bill Gourley and Rolf Ruehring, management consultants with the NADA 20 Group program, will discuss analysis, forecasting and daily operating control for the new- and used-vehicle departments. (Participants should bring their financial statements and calculators.) Room 214-16.
Sunday, 11:00 a.m.
4:00 p.m.
Monday, 11:00 a.m.
2:00 p.m.

Productivity in the Sales Departments

Discussed in this workshop will be real-life situations where a changing management focus on personnel affected dealership profitability. Presenting this workshop will be Bill Kolitz, vice president and general manager, Benson Ingram Park Motors, San Antonio, TX; John Pulsifer, president, Atlantic Ford Mercury Inc., Saco, ME; and George Reed, a management consultant with the NADA 20 Group program. Room 218-19.
Sunday, 11:00 a.m.
4:00 p.m.
Monday, 11:00 a.m.
4:00 p.m.

Selling Techniques

Joe McGuire, president and management consultant, Bettco Inc., Birmingham, AL, a national sales leader, explains how to close a sale, overcome objections and understand customer needs. Room 413.
Sunday, 2:30 p.m.
Monday, 9:00 a.m.
2:00 p.m.
Tuesday, 9:00 a.m.

Using the Telephone as a Sales Tool

In this workshop Tom Stuker, president, Tom Stuker and Associates, Rockford, IL, will instruct participants in the effective use of a key to prospecting and sales, the telephone. Room 222-23.
Sunday, 11:00 a.m.
4:00 p.m.
Monday, 9:00 a.m.
2:00 p.m.

Setting Up a Lease Company

This workshop is geared to dealers who have just committed themselves to the leasing business. Workshop leader Buzz Doering, automobile leasing consultant, Hartland, WI, will focus on organization, capital requirements, accounting, personnel and location. Room 217.
Sunday, 11:00 a.m.
Monday, 11:00 a.m.
Tuesday, 9:00 a.m.

Leasing in Today's Market

Buzz Doering, automobile leasing consultant, Hartland, WI, will offer a detailed look at the leasing business, including rate construction, types of leases, insurance, consumer leasing laws, daily rentals and lease documents. Room 217.
Sunday, 4:00 p.m.
Monday, 4:00 p.m.

Legal Pitfalls in Dealership Advertising

In this workshop Bob Wade, director of the NADA legal and regulatory group, will present current information to help dealers stay out of trouble when advertising, using actual case studies. Room 220-21.
Sunday, 11:00 a.m.
Monday, 11:00 a.m.
4:00 p.m.

Dealership Advertising: Building a Reputation by Creating an Image

Jerry Tasch, president of Tasch Chevrolet Buick Inc., Elkhorn, WI, and senior vice president of the advertising firm of Eisaman, Johns, Laws, will lead this workshop designed to teach dealers how to analyze their market, determine the most effective media to use, and help in long-range advertising planning. Room 215.
Sunday, 11:00 a.m.
4:00 p.m.
Monday, 11:00 a.m.
4:00 p.m.

Advertising Media

Dealers should attend the effective media usage workshop right for them—newspaper, television, radio or magazine advertising. Room 408.

#1—Newspaper. Speakers: Hugh Quinn and Val Corradi, Newspaper Advertising Bureau Inc.

#2—Television. Speaker: Richard O'Donnell, Television Bureau of Advertising.

#3—Radio. Speaker: Ray Avedian, Radio Advertising Bureau Inc.

#4—Magazine. Speakers: Marianne Howatson and Marvin Gropp, Magazine Publishers Association.

Sunday, 4:00 p.m. (#1)
Monday, 9:00 a.m. (#2)
2:00 p.m. (#3)
Tuesday, 9:00 a.m. (#4)

The Newest Developments in Present and Future Dealership Advertising

Lee Galles, president, Competitive Edge, Albuquerque, NM, will present an in-depth exploration of cooperative advertising: how it works, its effects on cash flow and how it can be coordinated with inventory. Room 405.

Sunday, 2:30 p.m.
Monday, 9:00 a.m.
2:00 p.m.

Profiting with a Sales Control System

Steve Wancik, manager, and Tim Smith, senior consultant, NADA Sales Trak, will discuss how a sales control system can increase management effectiveness and build in accountability and profits. Room 217.

Sunday, 2:30 p.m.
Monday, 9:00 a.m.
2:00 p.m.

Conducting Effective Sales Meetings

Dealers Dennis Higginbotham, Sunrise Oldsmobile-Toyota Inc., Daytona Beach, FL, and Bob Miskinis, Miskinis Buick-Pontiac Co. Inc., Bridgewater, MA, will show participants how to plan a successful meeting agenda, including goal setting and reviewing past goals. Room 222-23.

Sunday, 2:30 p.m.
Monday, 11:00 a.m.
4:00 p.m.
Tuesday, 9:00 a.m.

SERVICE/PARTS/BODY

Productivity in the Service and Parts Departments

Jack O'Neill, manager of NADA Service Systems, will discuss motivating technicians through job descriptions, training, guidelines and quality control. Room 231.

Sunday, 11:00 a.m.
4:00 p.m.
Monday, 9:00 a.m.
2:00 p.m.

Financial Statement Management for the Service and Parts Departments

Analysis, forecasting and daily operating control in the service and parts departments will be covered in this workshop led by Bob Frawley, director of NADA's marketing division. (Participants should bring their financial statements and calculators.) Room 230.

Sunday, 2:30 p.m.
Monday, 9:00 a.m.
2:00 p.m.
Tuesday, 9:00 a.m.

Marketing in the Service and Parts Departments

Workshop speakers will cover ways to increase sales in the service and parts departments through promotion ideas, campaign development and follow-up. Presenting this workshop will be M.Y. (Moe) Beardmore, president, Beardmore's Suburban Chevrolet Inc., Bellevue, WA; Virgil Fowler, president, Fowler Motors, Williamsport, PA; and Gerhard Urban, instructor/management consultant, NADA Dealer Candidate Academy and 20 Group program. Room 224-27.

Sunday, 2:30 p.m.
Monday, 9:00 a.m.
2:00 p.m.
Tuesday, 9:00 a.m.

Why Be in the Body Shop Business?

Wendell Dockum, president, Dockum Pontiac Inc., Oklahoma City, will analyze the body shop as a business source and discuss setting up the department and personnel requirements. Room 231.

Sunday, 2:30 p.m.
Monday, 11:00 a.m.
4:00 p.m.

The Service Writer

In this workshop Ron Joffe, service director, Straub Motors Inc., Keyport, NJ, will focus on the service writer and offer suggestions for training, guidelines, job descriptions and intra-department communication. Room 233-34.

Sunday, 11:00 a.m.
Monday, 9:00 a.m.
2:00 p.m.
Tuesday, 9:00 a.m.

Parts Inventory: One Page Management

In this workshop Mike Nicholes, president, Mike Nicholes Inc., Gresham, OR, will discuss parts purchasing, forecasting, stock order benefits and control systems. Room 224-27.

Sunday, 11:00 a.m.
4:00 p.m.
Monday, 11:00 a.m.
4:00 p.m.

The Commitment to Wholesaling Parts

Discussing the profitability of merchandising parts to body shops and other dealerships will be Don Beyer Jr., president, Don Beyer Volvo, Falls Church, VA; David Kimmerle, general manager, Don Sanderson Ford Inc., Glendale, AZ; and Bert Saylor, manager, NADA Dealer Candidate Academy and 20 Group program. Room 233-34.

Sunday, 4:00 p.m.
Monday, 11:00 a.m.
4:00 p.m.

Utilizing the Team Concept in Service

James Cuene, dealer, Broadway Chevrolet Oldsmobile Inc., Green Bay, WI, and Dennis Spencer, service director, Silver Spring Toyota, Silver Spring, MD, will discuss how they implemented the team system in their service departments and maintain it successfully. Room 235-36.

Sunday, 2:30 p.m.
Monday, 11:00 a.m.
4:00 p.m.
Tuesday, 9:00 a.m.





BUSINESS

Best Ideas from the NADA 20 Groups

Bert Saylor, manager, NADA Dealer Academy and 20 Group program, and Bob Young, manager, NADA 20 Group program, will share proven ideas for every dealership department. Room 411.

Sunday, 2:30 p.m.
Monday, 9:00 a.m.
2:00 p.m.
Tuesday, 9:00 a.m.

Marketing to Today's and Tomorrow's Customer

This workshop is designed to help dealers with today's educated customer, who requires a more sophisticated marketing approach. Marilyn King, contemporary marketing manager, Ford North American Automobile Operations, Dearborn, MI, will address such topics as the types of advertising that will have the most appeal and the skills salespeople will require. Room 409.

Sunday, 11:00 a.m.
4:00 p.m.
Monday, 11:00 a.m.
4:00 p.m.

Marketing Is More Than Good Salesmanship

John Hemphill and George-Ann Rosenberg, J.D. Power & Associates, Westlake Village, CA, will analyze current industry trends and provide dealers with the tools needed to conduct their own market survey. Room 409.

Sunday, 2:30 p.m.
Monday, 9:00 a.m.
2:00 p.m.

Managing in the '80s: Computer Cash Flow

Jeff Sacks, general manager, Quality Chevrolet Co., Escondido, CA, will discuss effective use of the computer in managing dealership cash flow. Room 402-03.

Sunday, 2:30 p.m.
Monday, 11:00 a.m.
4:00 p.m.
Tuesday, 9:00 a.m.

Managing a Chain Dealership Operation

Successful chain dealers (speakers to be announced) will share their management philosophy. Room 410.

Sunday, 2:30 p.m.
Monday, 11:00 a.m.
4:00 p.m.
Tuesday, 9:00 a.m.

Dealership Management Style: Theory Z

John and David Strom, Berglund Chevrolet Inc., Roanoke, VA, will discuss how a new management style was developed in their dealership by establishing John Strom as organizational development director. Room 412.

Sunday, 11:00 a.m.
4:00 p.m.
Monday, 11:00 a.m.
4:00 p.m.

Writing a Dealership Management Plan

William Harvey III, general manager, Motors Holding Division of GM Corp., Detroit, will discuss how to strategically write a dealership management plan: evaluating the current dealership situation, forecasting growth and requirements, and developing dealership policies and procedures. Room 412.

Sunday, 2:30 p.m.
Monday, 9:00 a.m.
2:00 p.m.

Expense Control

In this workshop the speakers will highlight major expense areas and tell participants how to track and reduce expenses, resulting in the retention of more net profit. Presenting this workshop will be Bert Arnlund, dealer, Arnlund Auto Plaza, Billings, MT; James Limbaugh, president, Jim Limbaugh Chevrolet, Chrysler-Plymouth Inc., Birmingham, AL; and Woody Miller, instructor/management consultant, NADA Dealer Candidate Academy and 20 Group program. Room 413.

Sunday, 11:00 a.m.
4:00 p.m.
Monday, 11:00 a.m.
4:00 p.m.

How To Be a Smart Insurance Buyer

A dealership insurance specialist will review the types of coverage needed for total dealership security. (Speaker to be announced.) Room 405.

Sunday, 11:00 a.m.
4:00 p.m.
Monday, 11:00 a.m.
4:00 p.m.

Safeguards against Embezzlement

This workshop, for dealers only, will point out the warning signs of employee dishonesty and help dealers implement preventive tactics. The speaker will be Edward Koenigssest Jr., Professional Security Bureau, Nutley, NJ. Room 401.

Sunday, 2:30 p.m.
Monday, 9:00 a.m.
2:00 p.m.

Dealership Management: Secrets for Success

John J. Pohanka, president, Pohanka Oldsmobile Inc., Marlow Heights, MD, will discuss the multiple trends facing the industry through this decade and specific ways for dealers to exploit the many profit opportunities. Room 404.

Sunday, 11:00 a.m.
Monday, 11:00 a.m.

NADA will be taping most workshops and general sessions. These tapes, along with a comprehensive handout binder, will be available for sale at the convention; mail orders will be taken after the convention. The tapes will be sold individually and in sets. □



"There are so many good points about the GM Continuous Protection Plan–like dealer profit, customer satisfaction and increased service business–that it's easy to see why it's No. 1.

"But for me, the coverage it provides for the customer is the most important part of it all. A lot of other service contracts don't cover things like seals, gaskets and U-joints. The GM Plan does, and that's a big reason why I feel it's a better overall program.

"In fact, we think it's a disservice not to offer a customer the GM Continuous Protection Plan. I believe in it personally. And when I sell a GMC truck to a friend, I recommend it highly.

"In my opinion, a lot of other GM dealers are asleep by not selling the GM Continuous Protection Plan."

More and more GM dealers are opening their eyes to the advantages of selling GM's Continuous Protection Plan. Isn't it time for your dealership to "rise and shine," too?

Continuous Protection Plan

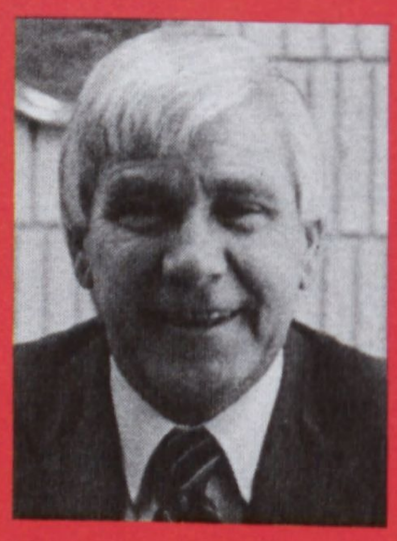
GM

(For more information circle #13)

MANAGER'S ZONE

Ever think about how important
manager is to the operation of your
As your factory's appointed "ambassador,
sits in an unusual position. He works closely
parent company, and makes sure all runs
both parties. Together with his field staff, he
car allocations, merchandising programs ar
Often, he also manages warranty processing a
In short, he serves as the main pipeline to y
What does business look like from a zone m
Automotive Executive talked to Gary Besso o
Scharf of AMC and Dave Walsh of Che

1 VOLKSWAGEN'S G



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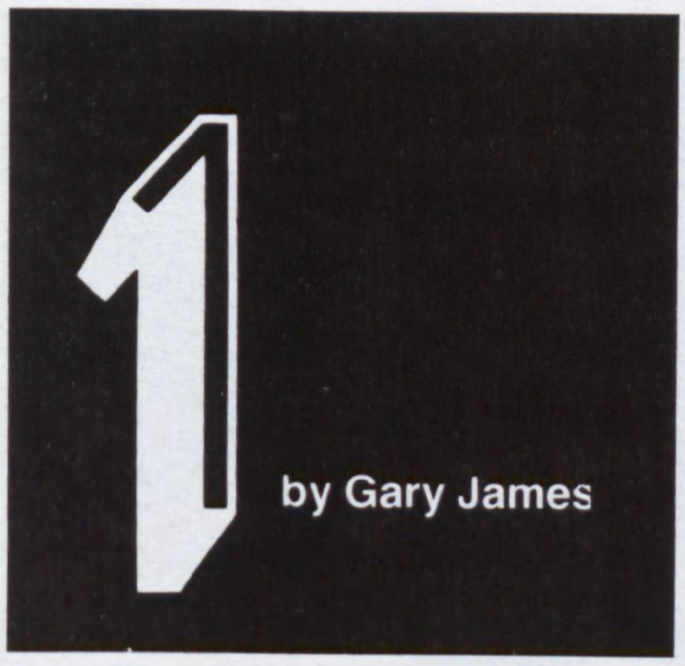


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Ten years ago, Volkswagen of America promoted Garrett "Gary" Besso to national sales manager. For many young executives, that would represent the attainment of a lifelong goal. For Besso, it meant he was one step closer to snaring the job he *really* wanted: manager of VW's Boston region. In 1975, his wish came true.

"I like working in the field, where the action is," Besso explains. "Back then, the national sales manager's job wasn't as challenging as it is today. Here, I work all sides of the business—sales, service, parts and marketing. There's always something new."

Besso's territory covers 62 dealers in Maine, New Hampshire, Vermont, Massachusetts and Rhode Island. They range from tiny points in Martha's Vineyard and Nantucket that sell 25 VWs per year to metro dealerships in Boston moving 500 to 600. About two-thirds of the dealerships are dualed, half with Japanese makes.

Like the rest of VW, New England dealers haven't had it easy the last three years. Sharp declines in the diesel market and stiff competition sent sales sprawling. But while nearly 100 dealers fell from VW's ranks nationwide, the Boston region lost only one, a point in Warwick, RI. And with luck, Besso says, that point will be filled soon.

The Boston region is one of VW's strongest. Nationwide, VW captures 1.6 percent of the total market. Through September of 1983, Boston ran at 2.6 percent. Only one of VW's 15 regions was higher: San Francisco.

In the import market, Boston is VW's front-runner. Through September, Boston had an 8.3 percent share of import sales, compared to 5.7 percent overall for the company. And in terms of the share of its competitive group (other makes in the same class), Boston ranked second with a 4.3-percent share. This year, Boston dealers expect to sell 14,600 VWs—a 20-percent increase over '83's 12,200.

New England always has been good Volkswagen country, Besso says. "Like the West Coast, people here lean toward imports. That, along with our high-tech and service-related economy, was a big plus during the recession. Now that business is coming back, I think our dealers are in a good position to sell some cars."

Last fall, Besso and his region's dealers attended an "Intro 84" meeting in Philadelphia to learn about VW's plans for this year. VW executives introduced the '84 products, explained the company's pricing strategy and showed tapes of the new ad campaign.

"We're *all* excited," he says. "Dealers understand that VW has taken the necessary steps to regain profitability. We've realigned our pricing to create improved value throughout our product lineup. We've steamlined our model mix, improved our ad appeal and reduced inventory surpluses. The stage is set for the arrival of the Rabbit successor in the fall of '84."

The Diesel Slump

According to Besso, VW's main mistake in the last few years was over-reliance on the diesel. "I guess we fooled ourselves into thinking we could corner a market," he says. "In '78-'79, fuel prices soared, lines formed at the pumps, and consumers bought diesels like crazy. That pressured us to switch production more heavily to diesel. We committed ourselves, and then just as quickly as demand rose, the bottom fell out of the market."

From a peak of 145,000 in 1981, VW diesel sales plummeted to 60,524 in 1982 and an estimated 30,000 in 1983. Diesel as a percentage of sales dropped from 52.1 to 35 to 18 percent. In Boston, diesel figures dropped at about the same rate: from 7,978 in 1981 to 3,522 in 1982 and about 1,700 in 1983.

To strengthen this market, VW announced price cuts last fall on all diesel models, and launched an aggressive



Besso photographs by Gary James

promotion for the base Rabbit diesel, the Sparmeister.

"This had a great effect on our dealers," Besso says. "They took a fresh look at their own attitudes toward the diesel. For the first time, they've started selling the value of these cars instead of just fuel savings. They've created new opportunities.

"In the past, if a district manager stopped in at a local dealership to talk about a diesel allocation, nobody was interested. That's changed 180 degrees."

After 29 years with Volkswagen, Besso is all-too familiar with how quickly the auto business can change. He joined VW's Boston office in 1954, as general parts manager. "I was working for a local parts jobber, and this place was a client," Besso recalls.

At that time, the regional office was owned and run by an independent distributor, Hansen-MacPhee. In 1966, Volkswagen of America bought out the company, and Boston became a VW subsidiary. Today, only three of VW's 15 regional offices are privately owned: Orangeburg, NY; St. Louis; and Hillsboro, OR.

Besso worked at the region until 1970, when he transferred to the corporate level to work on special projects. His first assignment was to trim VW's parts inventory costs.

"All the depots were stocking a full line of fast- *and* slow-moving parts," Besso says. "That was expensive, both in space and dollars tied up. Each depot had way too many parts sitting on the shelves."

Besso's solution was to implement a "master depot" program. Under this setup, VW designated three "master depots"—in Lanham, MD, Chicago and Los Angeles—as supply centers for the other regional offices. Besso classed each depot's parts by turnover, then moved all but the most popular to one of three center depots. The system, used by the domestic automakers for years, enabled VW to cut inventory costs to the bone—while retaining a high level of customer service.

"Why stock slow-moving parts in 14 places, when you can store them more economically in three and still get them into dealers' hands quickly?" Besso asks.

After the project's completion, Besso stayed on at VW's headquarters in New Jersey, working in sales and marketing. In 1973, he was named national sales manager. Two years later, he returned to the Boston region as manager.

Soon after Besso took his new post, VW consolidated its operations nationwide. Instead of each region having its own warranty, finance and business analysts, VW grouped such activities in central locations, similar to parts.

"We applied the master depot concept to people," Besso says. "At our peak, we had 200 employees here. We have 28 now, plus 38 parts department employees. Streamlining wasn't easy, because you get used to having all those functions on site, but it made sense. We're much more cost-efficient."

Among the changes was the establishment of a separate marketing arm for Porsche-Audi. Until 1976, the Boston office handled Porsche-Audi distribution right along with the rest of its VW duties. Now all P-A business for the northeast part of the country is conducted out of Lanham.

"I was sorry to see it go," says Besso, "because I enjoyed working with the dealers. But Porsche-Audi dealers wanted staff available to concentrate solely on their affairs, so we split up that side of the business."

The Boston Team

At the core of Besso's staff are five district sales managers and five district service managers. They are Besso's eyes and ears in the field. Supervising the reps directly are an assistant regional manager and a regional service manager.

"We have a very experienced, motivated field organization," Besso says. "My district managers have been with VW an average of 19 years. They understand the business inside out."

Also on staff are a dealer development consultant, business manager, sales and marketing training coordinator, three distribution managers and two warranty specialists. Rounding out the team are an office supervisor, a customer-assistance rep and several secretaries.

Boston still has its own parts depot as well, but supervision comes from the master depot in Lanham rather than from Besso's office. "That doesn't mean we're in the dark, though," Besso says. "We include the depot manager in all of our meetings, and I attend any local meetings related to parts or service, too. We keep up with what's going on."

Besso also meets formally with each district manager about once a week to discuss sales strategy. "We're so lucky," he says, "because we're so small. In an emergency, I call our district managers and tell them to get in here—pronto. The Chicago region, which has states as far away as North Dakota, can't do that."

One of the most frequent topics of discussion is distribution. Besso's dis-

trict managers, working with their dealers, are responsible for new-car allocations. They track performance, analyze changing markets and plan penetration strategies. After that, the district managers determine an allocation for each dealer. Besso and his team of distribution specialists review the figures, then pass final recommendations on to VW of America.

"We get dealers involved as much as possible," Besso says. "They know best how many of each model, with which engines and options, they can sell. If we can get our cars built and delivered the way dealers want, it logically follows that they will be easier to sell."

Right now, Besso and company are getting ready for a Washington's birthday sell-a-thon. "We're hoping to increase our share of national Jetta sales," he says, "which will enable us to get more product in the future.

"With the new Westmoreland plant building Rabbits, we forecast units, models and options much more than in the past. It's no longer a question of having a pre-determined allotment of cars come in from Germany. We have input."

When it comes to visiting dealers in the field, Besso prefers to meet them in groups. "I don't think I need to go around the entire region once a year knocking on doors. It's just not my style. I can get much more accomplished in our 'ventilation' meetings—when we sit down with all the dealers in the district and talk.

"That's not to say if a dealer needs to see me one-on-one, I won't. If he has a problem, you bet we get together."

Besso carries the same philosophy into his relationship with the parent company. He and his boss, national sales manager, Jim Wolter, keep in constant touch through sales reports and other correspondence, but Besso doesn't feel compelled to check every decision with his superiors. When he has a question, he calls VW headquarters (and vice versa). Otherwise, he runs the region as he sees fit.

Advertising Impact

A good example of the links Besso has developed between his office, dealers and the factory is found in the region's highly successful advertising association. In 1975, Besso organized the region's first association, a group of 11 dealers. Participation has grown to include 56 out of 62 dealers.



The association pools dealers' funds to buy TV and radio airtime and newspaper space in markets throughout the Northeast: Boston, Providence, Bangor, Portland, Burlington and western Massachusetts. Depending on where they are located, participating dealers contribute $30, $40 or $60 per new-car sold to the fund. Then, for every $2 the association spends on advertising, Volkswagen of America kicks in $1. With VW's contribution, the association has $1.2 million to spend on advertising each year.

"Pooling their monies enables dealers to buy TV time they'd never be able to afford on their own," Besso says. "Let's face it: TV costs a bundle. When dealers combine their resources, they can buy more time, run more spots and reach more people. And if they're long on a model, they can blitz the market."

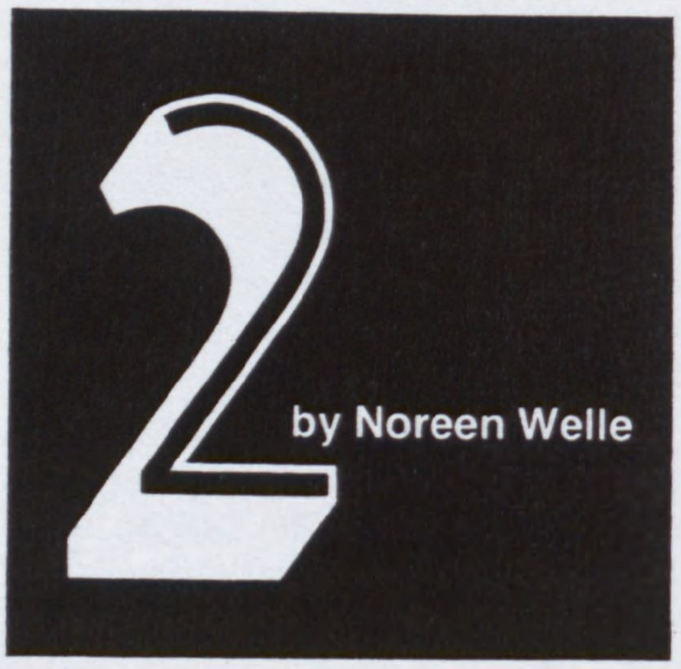
Each of the region's major markets has an elected dealer trustee, who is responsible for monitoring funds in his area. Though Besso organized the association, the dealers run it. They make all decisions about when and where to run spots. In Boston, for example, the association is a regular sponsor of radio coverage of Boston Celtics' basketball games.

Another area where Besso has really helped local dealers is in press relations. Since becoming regional manager, Besso has made a point of meeting every automotive writer in his market. When a new model comes out, he makes sure the writers know it is available for a test drive.

"We call them up and ask them, 'Would you like to drive a Quantum turbo diesel? A GTI? Just let us know.' If they don't get exposed to our cars, they'll never write about them. And potential customers won't learn about them either.

"The press has dwelled on VW's failures during the last few years, and there's no doubt that some mistakes were made. But I see VW coming on strong, and we're getting the word out by talking with writers and explaining the changes that have been made. This region's ready for a comeback." □

Gary James is the senior editor of Automotive Executive *magazine.*



by Noreen Welle

"I love to see dealers make money, and I love to see them sell cars. And I really enjoy the advertising and sales promotion aspects of my job. What else could I ask for? It's an ideal business to be in!"

Harry Scharf ought to know. He's been in the automobile business for 25 of his 52 years, and says it's the type of business you can never get out of your blood.

Washington zone manager for American Motors Sales Corp., he is responsible for the distribution and sales of AMC, Jeep and Renault. His territory includes the District of Columbia, Maryland, North Carolina, South Carolina, Virginia and parts of West Virginia, making it one of the largest AMC zones in the country. His dealer count keeps growing; currently there are 88 AMC, 102 Jeep and 90 Renault dealers in his jurisdiction.

The zone is an odd mixture of rich and poor, educated and non-educated. "Baltimore is primarily light manufacturing, shipping and more unionized," he says, "while Washington is white collar and professional due to the federal government and high-tech industries. Southeastern Virginia (the Tidewater area) is heavily endowed by the government and the Department of Defense—it has a very stable economy and relatively low unemployment. Southwestern Virginia, in the Roanoke area, still has economic problems. North Carolina, because of the furniture and textile industry recession, has higher unemployment and the market is down. South Carolina is basically the same except for the Charleston area. So it's really a diversified zone. You really go from Appalachia to a very affluent society."

His dealerships reflect their locales. "A very, very small Jeep-only dealer down in the Appalachian mountains in southwest Virginia might sell nine Jeeps—we also have Jeep dealers who have sold over 1,000 per year. We keep the smaller dealers for the most part for servicing because of the tourism in their areas," he notes.

Return on Investment

When asked what his dealers' main concern is these days, Scharf was hard-pressed for an answer. "It's certainly not profitability," he says. "Our dealers make more money today than they ever made before. Their return on investment is 45 percent—the highest in history. In fact, 95 percent of our dealers are profitable."

He attributes much of this success to the recovering economy, of course, and the Renault Alliance, Motor Trend "Car of the Year" in 1983. "For the first time, the dealers had a high-quality, high-tech product—one that they could be very proud to sell. And it's a product that has placed them in a very competitive position with Toyota, Honda and Datsun," he says. "It's certainly far better than American counterparts, from a quality point of view." A year ago, Renault built 300 Alliances per day. To meet demand, it's now building 1,150.

AMC's 11.6-percent slice of the four-wheel-drive market is another reason for its improved market share these past few months. "We're selling every Jeep we can build," he says, "and the downsized Cherokee and Wagoneer have been great for us too."

The Grand Wagoneer has also been a success story. "We're selling those, even with a price tag around $20,000. The buyers are in the upper strata. They are in the age/income position of Cadillac, Lincoln and Mercedes buyers. The annual income is well above the national average—well above—and they are primarily cash buyers. The problem is not in selling the Wagoneer—it's in getting enough to meet demand."

What, then, is the greatest problem Scharf's dealers have? The same one GM, Ford, Chrysler, Datsun and all dealers share, Scharf says. "If anything the major problem is service," he admits. "All dealers are experiencing a difficult time getting qualified technicians. I can remember a few years back—the biggest concern was one dealer always trying to steal another dealer's salespeople. That doesn't exist anymore. Now they're out trying to recruit technicians. It's almost like a black market." AMC holds service training programs throughout the country in an attempt to get a handle on this pervasive problem.

"The More You Sell, the More You Earn"

Allocation the AMC way is very simple. "We try to take into consideration two factors: the dealer's planning potential (what he's responsible for in his given market) and his travel rate (actual sales), and then we meld the two. The dealer really sets his own pace for what the future allocation will be. Basically, the more you sell, the more you earn. By taking into consideration what he should sell in a given market, an inferior sales-performance job is offset. We do that on a monthly basis.

"Our allocations are all done by computer," he continues, "and we hand adjust in the case of a new dealer where he has no sales history. After the initial 90 days, a new dealer's allocation is done on the same basis as an existing dealer—he has to earn it."

AMC allocates on a 30-day basis, different from GM, Ford or Chrysler. "We don't preference schedule like GM," Scharf says. "We have a new distribution system, where we schedule production two months ahead. Many dealers don't comprehend this long-lead program—they're used to ordering a car and seeing it in 30 days."

Dealers who are unhappy with a given allocation talk to the field sales manager. If dissatisfied, they can come to zone manager Scharf. "During the last two years, I had only two dealers call and complain about their allocations," he recalls, "and we made adjustments.

"We have a very good relationship with our dealers, with very good communication. They're free to call or come in anytime they want."

If dealers don't come to Scharf, he's likely to go to them. In his two years as Washington zone manager, he has already visited the majority of his dealers individually. He meets with groups of

dealers throughout the zone, attends advertising association meetings each quarter, and holds general dealer meetings—generally 10 meetings during a model year.

The Staff Behind the Man

Scharf sees his job this way. "As zone manager, I am responsible for the sales and service, marketing and advertising—total representation of the product line and the corporation to the public and to the franchised dealer."

A tall order, for sure, but he's assisted by a staff of 32, most of whom work alongside him in the McLean, VA, office. Organized traditionally, there's a zone operations manager, a field sales manager, a zone parts and service manager, six department managers, seven district managers, seven parts and service managers—and so on down the line.

The toughest part of his job, Scharf concedes, is finding the right people for those 32 slots. "It's hard to take a young person with virtually no business background and ask him to call on a dealer when he has no working knowledge of the dealer's business in general. If there's a problem with the dealer, it's because of that. Here the dealers have a million-dollar investment and have been in the business for five, 10, 15 or 20 years, and they see someone telling them what to do—someone with no professional training. If I have a problem, it's acquiring, training and retraining qualified people who can develop and move up the ladder."

From the Outfield to the Driver's Seat

Scharf was one such climber. After an injury ended his short-lived career as an outfielder in professional baseball, he finished college at California State University at Fresno and joined GMAC for a short while. Then he dropped out of the industry, but not for long. He joined the Dodge division of Chrysler in 1959 and stayed there 13 years.

"I went through all the training programs for all the department manager slots," he says. "I was assistant regional manager in Philadelphia when I was recruited to go to American Motors in 1971." He went to Chicago as zone manager at the time of the AMC/Jeep merger, then went on to Detroit as regional manager for three years. After that he was director of fleet and government sales and vice president of marketing for American Motors Leasing Corp., a subsidiary of AMC. He held this slot for five years before being named Washington zone manager in 1981.

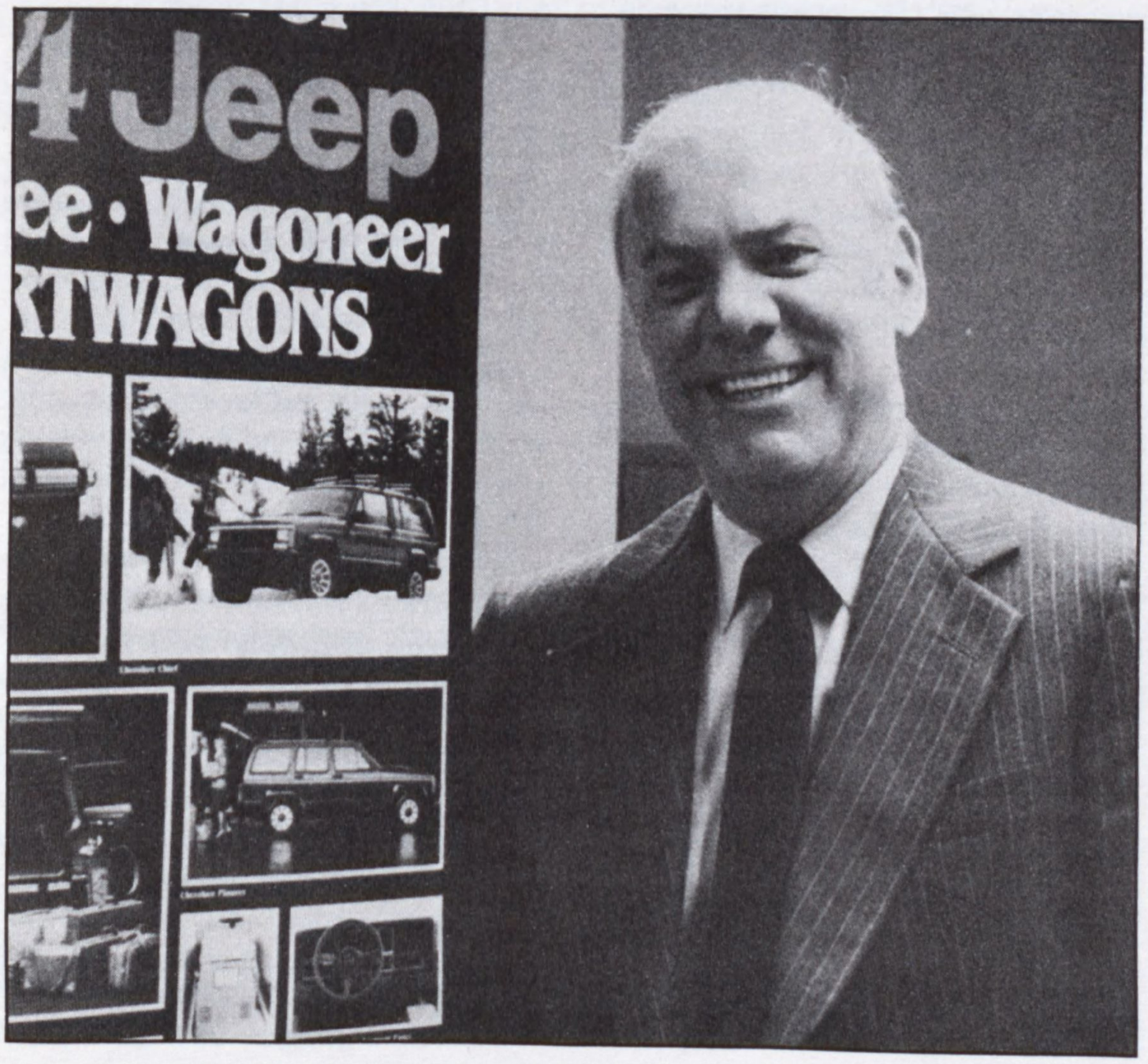
Moving to the DC area was a homecoming of sorts, for Scharf was reared in nearby Glen Burnie, MD. In fact, it was in Glen Burnie that he first fell in love with the car industry. "I got my first taste of cars when I was a small boy," he says. "A family friend was a Ford dealer and I started out washing cars on weekends there. Plus, I had a brother who always was a car nut!"

The Private Side

Although cars may have been his first love, they're not the only thing on Scharf's mind. His wife, Gene, has a high-power job that takes her out of town for long stretches. Currently she's at work on a huge nuclear project in southern Ohio, he says. "She has a Ph.D. from the University of Chicago and I kid around and call her a nuclear psychologist who spends her time psychoanalyzing neutrons!" he says. "Actually, I have no idea what she does—she has a security clearance, and we don't discuss it." Their daughter Lauren (born the day after her expectant parents saw a Bacall-Bogart film) is a freshman at Ohio University in Athens.

To keep busy (as if 10- and 12-hour workdays are not enough), Scharf collects art glass from the late 1800s and early 1900s. Besides being a good investment, it's a fun hobby, he says. "You have to know what you're getting, with all the fakes on the market, but to me it's much better than a painting because it's three-dimensional. You can pick up the vase, you can touch it, turn it, run your hands all over it." He pursues his sole hobby with the same vigor he has for his career.

"The automobile business is a fun business. Once you're in it and learn it, it's a business you never leave. It's a changing business. It's also a creative business. One has a chance to express oneself." He smiles smugly, then adds, "There are very few industries you can say that about, aren't there?" □



Scharf photographs by Noreen S. Welle

Noreen S. Welle is managing editor of Automotive Executive *magazine.*



by Pete Lukasiak

Dave Walsh runs Chevrolet's Baltimore/Washington zone from a corner office in the General Motors building near Rockville, MD. At 6'6", with a no-nonsense manner, he seems to have done the right things the past three years for his 93 dealers and GM's bread-and-butter line.

His zone ranks fifth nationally in car sales and 20th in truck sales. This, among Chevrolet's 42 national zones. "We're above the division's national market penetration figures with several Chevy models and trucks," says Walsh, "but let's face it, the big truck markets are really out West."

While his zone is small geographically (Maryland and Delaware, except for Wilmington and Newark, and only a 50 to 75 mile-wide fringe of Virginia near Washington, DC) it does move large volumes. In 1983, the zone moved about 80,000 cars and trucks. 1984 looks even better—Walsh forecasts more than 100,000 units.

"My points vary from small stores in western Maryland, the Eastern Shore, and the Shenandoahs (selling fewer than 300 new and used a year) to super-volume dealers in metro Baltimore or Washington," he says. "But we probably have more small dealers than anything else. In fact, about 25 percent of our dealerships are very small."

"If there's any unique feature to the zone," says Walsh, "it's probably that we have two distinct major metropolitan areas less than 40 miles apart. Both very different in market configuration."

Meeting the Demand

With so many small points, some nationally known high-volume dealers, and two totally different metro markets, has Walsh had problems satisfying dealer product demands in the face of GM product shortages?

"Product availability is a common problem, not an adversarial one. We work side-by-side with our dealers on it. Of course we'll always have shortages of 'hot cars.' Sure, I want more for the zone, dealers want more, but we only get so many. And we use the traditional sales approach to their allocation.

"Everyone was short last year. The corporation made a conscious decision not to build many cars in November and December. So, we started the year off short and supply lagged demand for all of 1983. We just told our dealers the facts."

Dealers Heap On Praise

Bill Strawn (Strawn Chevrolet & Oldsmobile in Cambridge, MD) agrees. "I've worked with many Chevy zone managers over the years," he says, "and Dave is head and shoulders above the others, in a business sense as well as physically. He speaks straight from the shoulder."

Strawn speaks for a dealership that's been an uninterrupted NADA member since 1947. He has owned the shop for four years, after 11 years with Motors Insurance Corporation (MIC). "Our store does about 25 new and used a month. Dave has been to our tent sales and when I've had problems, he's dealt with me straight out and fairly. I came in on a buy out and Dave helped me on a serious parts-return problem. Even though Chevrolet overruled him, I respect him for his help."

Lee Scheffer, general manager of Key Chevrolet in Frederick, MD, speaks from a different perspective. Located on the edge of the Blue Ridge, Key sells between 1,200 and 1,500 new and used each year to a mixed rural and suburban market. With 87 employees, it's among the larger points in the zone.

"Dave stays in touch," says Scheffer. "We don't have order-takers on the floor today, and Dave helped me get there. I've been in the business since 1963 and Dave's the first zone manager I've known who'll show up unannounced at the store at 8:00 in the morning and spend two hours over a cup of coffee with you in the lunchroom."

The Chevrolet Market

Walsh uses those dealership visits to keep in touch with his marketplace. Our customers seem more knowledgeable about product," he says," but that may be just a factor of the time. I think this area didn't suffer as much from the recession as some other parts of the country. Our market has been steady."

"I look for 1984 to be one of the best—if not *the* best—years that this zone has ever had. We should have no problems with product. The plants are at full capacity and we'll have availability early this year that we didn't have in 1983."

Walsh and his zone staff operate from the corporate office building that houses all GM Washington-area zones.

His staff—typical of GM zones—includes two assistant zone managers, department managers, separate field organizations for both sales and service, and office support staff.

While he has a few open points in his zone, he notes there are no existing facilities. He says dealer candidates come to GM because of the recognized value of a Chevrolet franchise. "We don't base selection on chain ownership or multi-franchise considerations. We qualify the individual. And we follow GM policy in that regard."

Does he have any thoughts on Chevrolet's drop in new-car market share—from 26 percent in 1965 to 15.77 percent in 1982?

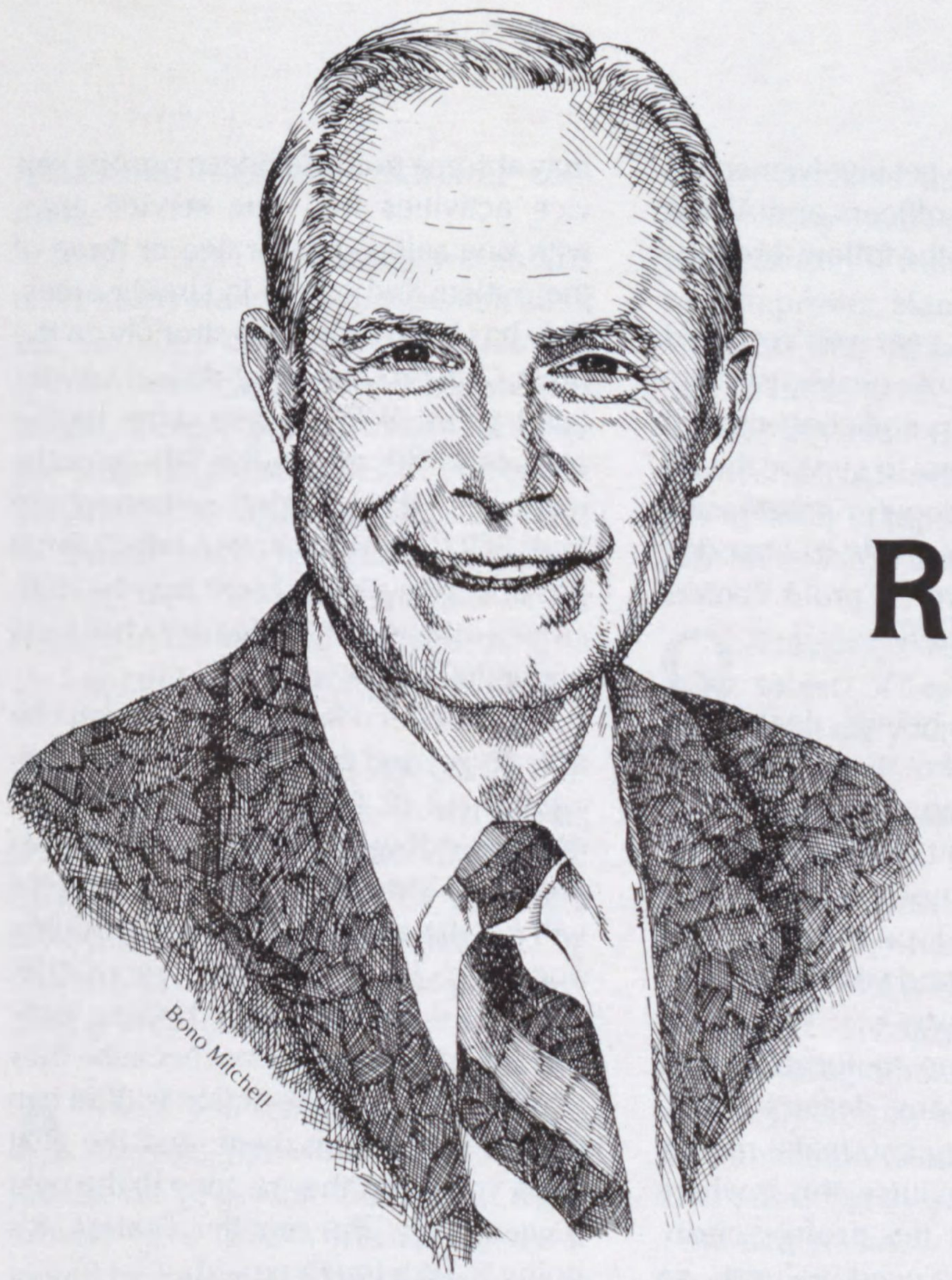
We can't change the national statistics by ourselves," he says. "We'll increase our market share as Chevrolet increases its share nationwide."

Chevrolet runs in Walsh's bloodline. He came to the Baltimore/Washington zone from Seattle, and is part of a Chevrolet family. "My father was a Chevrolet employee and so is my brother."

Walsh joined Chevrolet a year out of Dartmouth College. He loves working and living in the Washington area, but at the same time maintains an interest in the West Coast market.

"California is an exciting place to live and work, particularly when you're in the car business. I'd return there in a minute, if that's what Chevrolet wanted." □

Pete Lukasiak is NADA's director of publications.



Retrospective

An Interview with NADA's Outgoing President,
William C. Turnbull

Q For the past two years, as NADA first vice president and as president, you've invested considerable personal time in the association. Would you reflect on NADA and its members?

A Because I've been active in NADA for a long time, I've had an opportunity to see NADA from all sides, particularly government relations and finance.

I think we are an outstanding trade association serving new-car and truck dealers. That is largely because Frank McCarthy, working with the board and with dealers across the country, has put together an outstanding staff. Our members feel the same way. They are proud of their association. We have credibility with the manufacturers, with our members, and on Capitol Hill.

I think that's important to the average member. Anywhere you travel, if you mention the National Automobile Dealers Association, people immediately recognize the name. Members are more aware of that than ever.

Q You led into our second question. How is NADA seen by manufacturers, the government, the media and perhaps the general public?

A This is an area we've strengthened over the past several years. The restructuring of our communications committee has substantially improved our ability to tell our members, the government, the media and the general public as well as manufacturers what we're doing, how we're doing it and why we're doing it.

Through our industry relations (IR) committee, the manufacturers have been able to work more closely with us in the past few years. It gives us and the manufacturers a better feel for common problems. Of course, we also work very closely with federal and state legislatures.

Q What was it like being NADA's top officer in a real "rocket" of a year?

A That's a real joke. Before I took office, former presidents Wendell Miller and George Lyles and others thought I would be serving during a "hard year." Later, when we began the turn in 1982-83, everybody says to me, "Well, you came on about the right time. You got this thing right on target!"

All of us know that nothing happens overnight. Many of our current successes have been worked on for years. Take the used-car rule. I remember back in '75, we were holding regional hearings throughout the U.S. and we're *still* working on it today! Any program, any credit, belongs to both past and present boards and officers and to the staff of the association.

Q Jim Jennings has spoken frequently about the team that you and he formed as president and first vice presi-

dent. Is that a real strength in the current set-up?

A I think it is essential. We were able to involve the first vice president—with IR and government relations (GR)—the two big things we can do for members that they can't get somewhere else! This way he's better prepared to serve our dealers the following year.

We have the largest automotive consulting service in the world. And probably the best in the world, too. But a dealer can get those services somewhere else. He can't get GR and IR support. In my opinion, we've had good involvement between the two top officers on these issues.

Q Don't you have to take some credit in the restructuring that took place this year?

A Only to a degree. Like other things, it's something we've discussed for two or three years. Also, I think it's important to involve your first vice president and your other officers in state conventions. I don't think it is necessary that the president always go. It is the involvement of other people that makes good things happen.

Q What do you see as the high point of the past two years?

A The restructuring of two key committees—communications and dealership operations. While it's been criticized by some board members as reducing their involvement, I think it has really increased involvement of staff. It's given staff more opportunity to talk to more and different dealers. Basically, this is what they need—input from dealers.

Q Apparently, there is a much closer relationship with state associations. Do you want to talk about that?

A That's true. We've known for years that one of our best assets is good rapport with our state association managers and officers. In all states, you know, it's difficult to get involvement of the dealers without officers and ATAM managers providing the follow through.

Q Over the last year you've noted many times how dealers streamlined their operations and concentrated more on profit centers to survive the recession. With the recovery progressing so well, are dealers likely to abandon those newly discovered profit centers and return to old practices?

A Like all human beings, dealers are prone to do what they have to do. It's just like eating an excess of chocolate. Once you eat too much and get sick, you say you're not going to eat anymore, and next thing you know a couple of months goes by and you stash some away and eat it anyway.

Dealers are prone to forget during good times but many dealers won't. They've learned they can make money on less volume. Of course, this is where manufacturers and the dealers clash. The manufacturers need volume, so they want dealers to sell more units at even less profit if need be.

But in the last year, particularly in the last six to eight months, we've seen that dealers couldn't get inventory. So, if they were going to make money, the other profit centers had to come into play, and they had to make more gross on the vehicles they could sell. Many did. It proves that if you don't have it you'll work for it!

Most dealers, particularly small and intermediate dealers, will strive to keep their profit centers. Even the manufacturers are encouraging this because customer relations are tied in with good service departments and parts departments.

Q What do you see changing in dealerships of the future?

A You'll find the "supermarket" concept in many metropolitan areas. It's inevitable for several reasons. Many chain operators now have a number of different franchises, maybe five or six. It is possible that any chain operation may at some point decide to pool its service activities into one service area, with one sales area for two or three of the outlets and others in similar areas. This has been promoted strongly on the West Coast in the more densely populated areas. We may see some by the end of the '80s and in the '90s. In outlying areas, where dealers sell anywhere from 300 to 800 cars a year, I don't think this will take place. There may be difficulties ahead for a dealer who sells under 200 cars a year.

The smaller dealer probably won't be able to get and maintain the necessary equipment or technicians to work on the cars that we are going to have down the road. These sophisticated systems will require people with special training and tools. It's always been more difficult to keep good qualified young technicians in outlying areas, because they want to be where the action is. You can get them and train them, and the next thing you know they're gone to the next biggest town. For smaller dealers, it's going to be a tough period.

Q What is happening with the federal government and how it relates to car dealers? Has the current administration made a difference?

A We talked about that earlier this year. There are many indications of the president's desire to do away with excess regulations, not only affecting the automotive industry, but other industries as well. We've made some progress. But there are many who want to see much of it reinstated. One good example is the air bag issue and the safety belt controversy which have been all the way to the Supreme Court and back. And where are we going now? I don't think we should try to build a vehicle or provide it with air bags unless it's optional for the buyer. We have to provide the best product for the largest number of people at a reasonable price.

There are thousands and thousands of regulations still in the hopper. They really scare the product manufacturers. But the general feeling with this last administration is that they favor some

relaxation. Hopefully, that will continue.

Now, I don't mean that we should relax safety standards that benefit all of us. But there are some proposals that are not beneficial to our people and our nation. People don't realize that there are such long lead times in putting an automobile or truck together. It's hard to comprehend what it takes to make a change. You *can't* do it in three or six months. This is what disturbs us. The air bag controversy is a good example.

Q How about the flip side of the coin? Are dealer efforts in anti-drunk driving campaigns and in building public awareness of safety belt use making a difference? Are enough dealers involved? Have we done a good job about getting the word out?

A Unless you really hit home with a message, you won't change people's habits. We've got the "buckle up" signs around here (NADA headquarters). It would be interesting to note how many employees actually use their safety belts. They still believe it *can't* be me. To answer your question directly, no, I don't think we've done as much as we have to do. All of our people should get involved in both areas—drunk driving awareness and seat belts. Most people don't realize what can happen at 10 to 15 mph, let alone 55.

Somewhere along the line, though, it has to be a national effort as well as an association effort. I don't think we are really going to get the job done until that happens.

Q There's concern throughout business, small business in general, that with the return of power to the states, states are making new tax laws and regulations that may impact on small business. Of particular interest, in our case, are "lemon laws" and some state taxes that have been proposed as revenue measures. Do you see more of this in the future?

A We're certainly going to see some increase in state tax proposals, simply because the states need revenues. Many states have taken the posture that they'll wait a bit to see if business improves. Many are sympathetic to small businesses because they realize that to have taxes, you must first have payroll. Big businesses pay very little in taxes; small businesses and individuals pay more by comparison. And our state legislators know this.

Q A major concern for dealers is the subject of fleet subsidies and H.R. 1415. What are your thoughts?

A Like dealers across the country, I'm against them. They are still *the* hot issue. You hear dealers talk against fleet subsidies everywhere you go.

The universal feeling is that we need to correct subsidy abuses that are damaging legitimate dealers. H.R. 1415 is an opportunity to eliminate dealer discrimination resulting from manufacturer subsidies to large fleet buyers.

All dealers know that the practice of special pricing, free options, price guarantees and other fleet 'perks' has damaged dealers and the franchise system. That system has allowed both dealers and manufacturers to flourish in the past. And it served the consumer well, too.

Franchised new-car and truck dealers—our members—are still the manufacturers' best customers. It should be in their self-interest to maintain a healthy dealer body. We've worked to improve that relationship and I'm certain NADA will continue to push for changes.

Q Back when we first interviewed you in 1982, you used one word more than others—credibility. You've pushed the NADA Code of Ethics to members throughout the country this year. How do you think new-car and truck dealers appear on ethics with the public, government and media?

A Unfortunately, the average consumer puts the small used-car operator on the corner in the same classification as new-car and truck dealers. We must do even more in this area, improving dealers' credibility through involvement in the community and by running businesses ethically. A service department should back up what it sells. Every facet of your business should. The code of ethics was a big step forward this year and I think the communications committee did an excellent job in putting it together. I've been in dealerships across the country that have it on the wall. If dealers read it with some regularity, they will find out it says a lot.

Good dealers should also police bad dealers in their own areas. We can't do it from here; they must do it themselves. I think we have helped that situation. Dealers need to understand if they don't have the respect of the people in their own communities, they will never get the trust of their customers either.

Q You started in the car business in 1947. What do you feel about it?

A Like any business, if you like it, you derive a certain amount of satisfaction out of doing it well. The intriguing point of the automotive or truck business is the satisfaction you get out of selling someone a product, and then seeing them come back and buy another one from you, or have you service the vehicle. It means a lot. Then, being successful in that business, you open up other avenues that you can respond to. I have no regrets.

I worked for the federal government when I first got out of school. It didn't take me long to find out that that wasn't the area that I wanted to be in. After about a year, they wanted to transfer me to another government office. I said I would think about it. So I thought about it for two days and wrote them a letter and resigned. I've been in business for myself ever since.

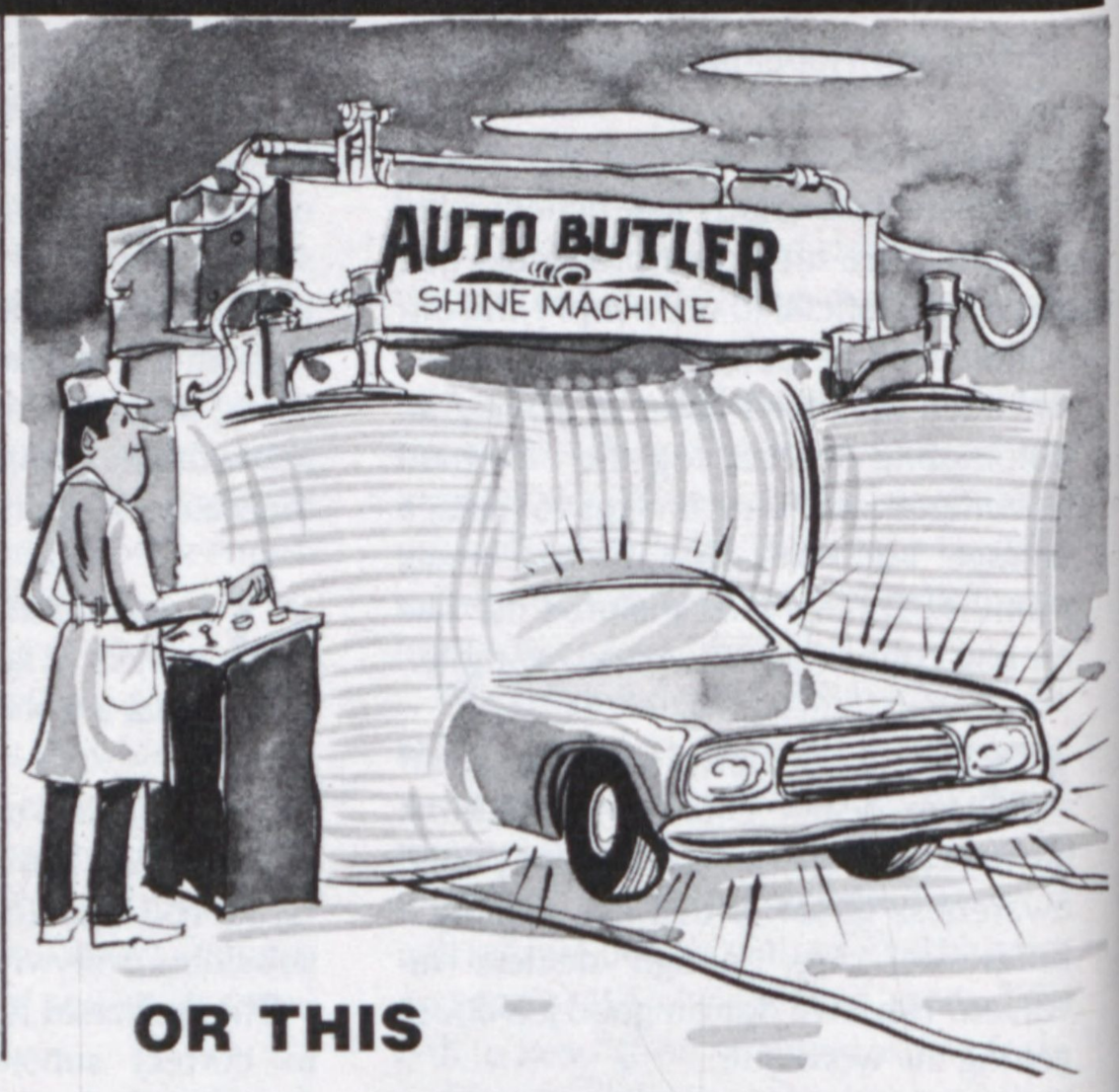
Q What's in the wind for Bill Turnbull in the future?

A Well, I'll be involved in my dealerships and will be working on some real estate deals. I'm not one to sit back and put my feet up. I'll stay busy. □

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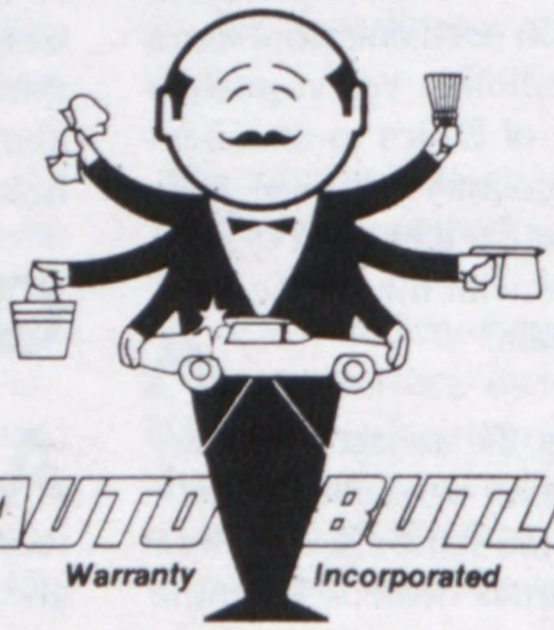
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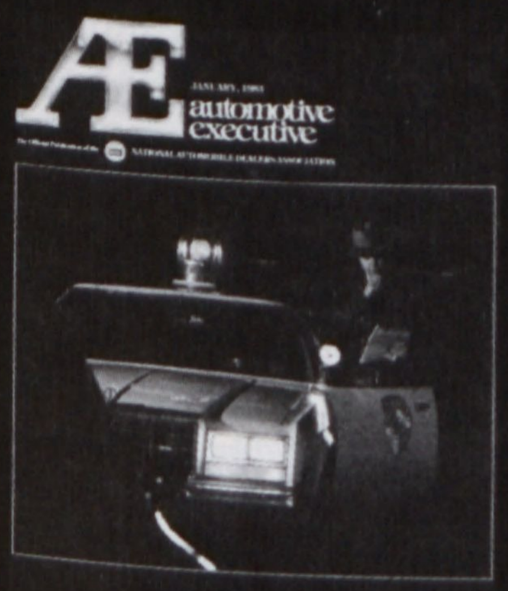
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CURBING THE DRUNK DRIVER



NADA AND LAS VEGAS: A WINNING COMBINATION



A HALF-DOZEN TIMELY BUSINESS IDEAS



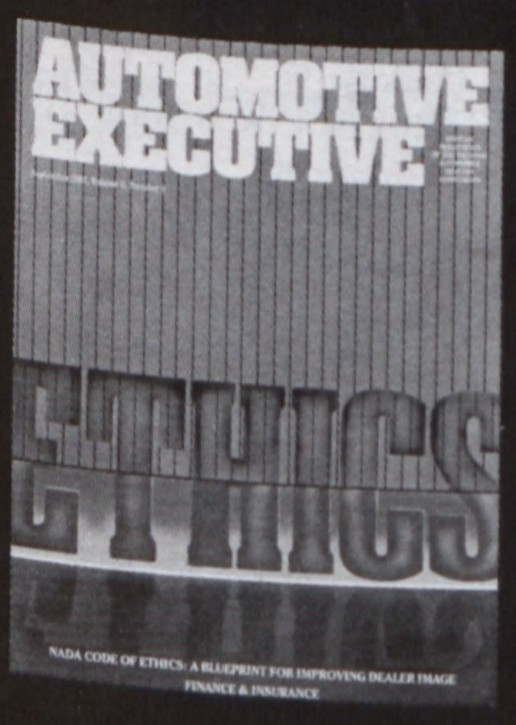
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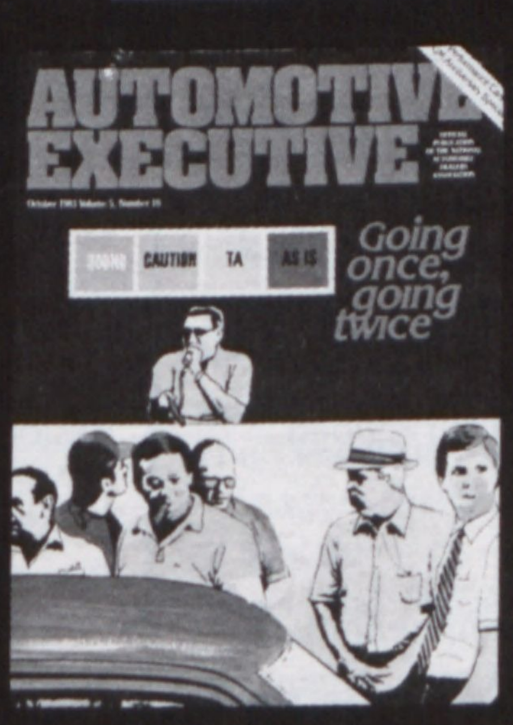


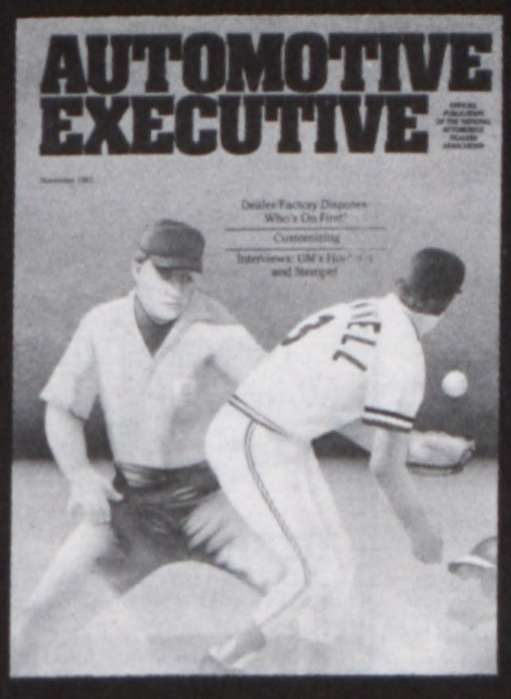














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The editors hope this will be a valuable reference tool for dealers and other readers who are researching certain topics for speeches or other purposes, or who are simply trying to relocate an interesting article to pass on to a colleague.

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Legal Briefs

Dealer's Case May Proceed Against Ford

A former dealer's lawsuit survived several motions for summary judgment by Ford Motor Co., Ford Motor Credit Co. and other in a unique case. Among other rulings, the dealership stock is held to be a security within the protections of the 1934 Securities Exchange Act (*Cole v. Ford Motor Co.*, No. 81-1760, W.D. Pa., 6/10/83).

The dealer in this case was a participant in Ford's Minority Dealer Training Program and Dealer Development Program. When the dealership began to lose money, its floorplan credit was cancelled by the dealer's bank. A request for a credit line from Ford Motor Co. was refused and, subsequently, the franchise was terminated.

In the suit, the former dealer alleged violations of the Robinson-Patman Act, Section 2(e), due to Ford's discriminations in the furnishing of merchandising services. The dealer also alleged violations of the Dealer Day In Court Act. At this point in the case, the court's ruling merely allows the case to proceed to trial. ■

Minnesota Franchise Law not Violated by Ford

A decision was rendered in Ford's favor by a U.S. District Court judge when Ford was sued by an existing dealer for replacing a dealership located less than 10 miles away [*Northside Lincoln Mercury Inc. v. Ford Motor Co.*, No. 4-82-1552, D.Minn., 9/30/83, appeal docketed, Nos. 83-1539, 83-2469, and 83-2539, (8th Cir., Oct. 1983)].

Under Minnesota's franchise law, a new dealership cannot be opened within 10 miles of an existing dealership without "good cause." Even though the replacement dealership was opened within 10 miles of the existing franchise, Ford met the "good cause" requirements of the Minnesota statute. Factors considered by the court included: the permanency of the investment, the effect on the market within the 10-mile radius and the public welfare. It was proven to the court that the new dealer chosen by Ford had made a significant capital investment in the new franchise which would offer new jobs, stimulate sales and enhance competition. The district court ruled that "good cause" had been established; however, the case is currently on appeal to the U.S. Court of Appeals for the Eighth Circuit. NADA is monitoring the case and will keep dealers informed of further proceedings. ■

Settlement Approved by FTC in GM Defect Case

The FTC has reached a final settlement with General Motors to establish a nationwide arbitration program to resolve an estimated 200,000 consumer complaints about transmission and engine problems (In re General Motors, Docket No. 9145, FTC, 11/17/83).

The settlement brought criticism from consumers who feel their chances of successfully bringing arbitration against GM are slim. The FTC's defense in using Better Business Bureau arbitration was that litigation of the 1980 complaint would have taken at least 10 years to provide consumer relief, if any at all.

It is estimated that GM will pay $95 million in redress, averaging approximately $475 per complaint. The settlement will also protect cars eight years into the future. □

This column is prepared by the Legal Group of the National Automobile Dealers Association. For further information or questions concerning the items appearing in this column, write: **Legal Briefs, NADA Legal Group, 8400 Westpark Drive, McLean, VA 22102-3591.**

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Money Sense

"Mom & Pop" Business Should Invest Excess Cash

More smaller businesses fail in the first five years because of poor management than for any other reason, says the Small Business Administration. And never have there been more failures than in the past decade. Inflation, recession, high interest rates and the lack of financial sophistication forced even some well-established smaller businesses to close.

Only recently have owners of small businesses recognized what major corporations have known for years: They cannot leave excess cash reserves idle; this cash must be working to earn additional income at every possible moment.

Banks, brokerage firms, insurance companies and other financial institutions now offer a wide variety of programs to help small businesses improve financial management, professionalize cash-flow planning, and keep dollars from "growing moss." Here's a look at some of these programs:



High-yield Investments

In high-yield investments, there is a virtual parking lot to choose from—everything from Treasury bills, or T-bills, and Ginnie Maes, to commercial paper issued by corporations and certificates of deposit issued by major banks. Which to select depends on the company's financial limitations, such as how much it has to invest, and on its needs, such as liquidity, safety and yield.

Generally, liquidity is extremely important. A company does not want to tie up funds for a long period. T-bills are very liquid. Their maturities are relatively short, from three to 12 months, and they can easily be sold before maturity in an active secondary market. They are issued in minimum denominations of $10,000, are backed by the full faith and credit of the federal government, and are, for all practical purposes, risk-free.

Bankers acceptances and certificates of deposit have even shorter maturities, from 30 days to around nine months. A bankers acceptance is essentially a draft on a bank, which has promised to honor the draft at maturity. A certificate of deposit is simply an obligation of a bank to repay a certain amount of money to the certificate holder at a specified time. Both carry higher yields than T-bills do, but minimum investments vary. Since the October 1, 1983 deregulation, some certificates of deposit require as little as $500. Bankers acceptances can require a minimum of $100,000.

Bankers with more limited cash can take advantage of money market mutual funds, which offer liquidity and require small minimum investments.

Government agency securities, issued by agencies of the federal government, may or may not carry the "full faith and credit" guarantee. Most offer attractive yields, but are not as liquid as T-bills.

Financial Management

Most small businesses have no one with either the time or skill to watch over their assets. Many turn to the corporate cash management programs offered by banks, brokerage firms and other financial institutions.

In these programs, professional money managers oversee company assets, plan cash flow and make sure company funds are earning income. Typically, corporate cash management programs transfer funds between bank and brokerage accounts, compute net asset values daily and invest funds in a choice of money market funds made up of any combination of T-bills, certificates of deposit, government agency securities and money market instruments. A business can liquidate the assets quickly, either by writing a check or by calling an 800 number to transfer funds to the bank account. In addition, the funds are managed to reduce yield volatility, so companies can better predict dividends and plan for their use or investment.

Brokerage firms also offer a corporate version of the cash management-type account popular among individuals, which combines money market funds with checking and debit card privileges. These accounts are particularly suitable for professional corporations and smaller businesses that do not need extensive financial planning but wish to keep assets invested at high yields and have easy access to them.

Rate Protection

Small businesses can also minimize the impact of interest rates on cash-flow fluctuations and changes in the value of foreign currency. If a company, for example, is expecting a large cash reserve in six months, but is concerned that rates on investments will be lower than they are today, a financial futures contract on the investment it desires, say T-bills, will lock in the current rate. Then, if rates drop, the company can still buy T-bills at the guaranteed rate, or sell the contract in an active futures secondary market for a gain—in either case offsetting the interest rate decline.

It is important to note that portfolio management, like all forms of investing, requires sophistication and skill. Therefore, it is wise to consult a financial advisor before making investment decisions or undertaking significant cash-flow planning. □

This column is prepared as an automotive exclusive for **Automotive Executive** *by Bill Waters, Director of Marketing Services with Merrill Lynch, Pierce, Fenner & Smith. Reader comments and inquiries should be sent to:* **Money Sense, *Automotive Executive*, 8400 Westpark Drive, McLean, VA 22102-3593.**

Used Cars

A Good Source for Market Data

Used-car guides are commonly used "tools of the trade" in the automobile sales industry. In previous columns, I have discussed the sources of market data which guidebook publishers use a basis for values, and noted that at least three rely upon auctions.

A second major source of market data is the dealer sales report—the *written* sales report. This distinction has to be made since it could be argued that a telephone inquiry or a group meeting might be regarded as a dealer sales report. NADA's interpretation of a sales report is well-defined: a written report of actual sales within a prescribed period.

Participation in the sales-reporting program at NADA is voluntary. We mail a set of reporting forms to all NADA members on a regular basis, even to those who have no history of reporting to us. We also furnish reporting forms upon request (just write to the Used Car Guide Co. and ask for the forms you require: retail cars, retail trucks, wholesale cars or wholesale trucks). We also provide forms to the manufacturers for distribution to their franchised dealers. Our program is voluntary and open to all, even independent dealers.

The used-car sales report is not to be regarded as a vote in a popularity contest; comparing it to a vote in a political contest may not be too far from the truth. We assume the sales data furnished is an accurate reflection of the actual selling price, less an over-allowance on the trade. If your used-car manager, or some designated employee, submits the report to NADA, the report itself is recorded and then the information (the reported sales) is entered into our data bank. In addition, there is a box on the report where the reporting dealer may indicate his or her appraisal of the values in the used-car guide. The entered material is combined with previously submitted data. The sample is cut off at a pre-determined date and the editing process is begun.

Dealers who don't submit a report have, for all intents and purposes, waived their right to "vote." Not only have they done that, but they also have given this right to other dealers, possibly competitors. Failure to use the sales-reporting system can be compared to those who cannot find time to vote in the primary and then complain about the quality of the candidates in the general election.

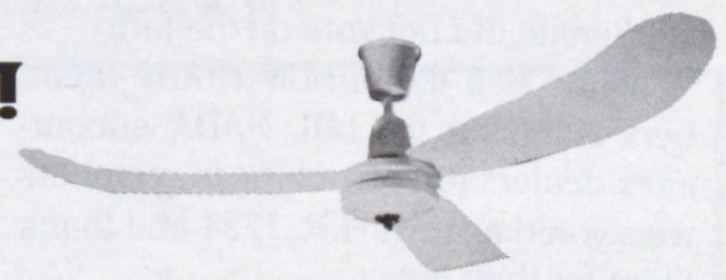
Dealers in a given make can get a better price for used cars of that make than can competing make dealers. So it is likely they will sell competing-make used cars at a price less than dealers in that make. Assuming all reports are factual, the very nature of the retailing of used cars results in better prices being reported by the dealers selling, and reporting, their own make.

Dealers may be told it isn't worth the time to report sales, that no one uses the reports. That is far from the truth. We use every sale reported to us, provided the report is complete enough for us to correctly identify the car. Others may say, "We are not NADA members, so why bother?" The point is, *NADA's Used Car Guide* is by far the most widely used book of its kind—businesses which have a bearing on your business use it.

As one businessperson to another, use the sales reports. It is the rational thing to do. □

This column is prepared exclusively for **Automotive Executive** *by James "Harry" Lawrence, editor of the NADA Official Used Car Guide. All comments or questions pertaining to this column should be mailed to:* **Used Cars, *Automotive Executive*, 8400 Westpark Drive, McLean, VA 22102-3593.**

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House Passes Domestic Content Bill

On November 3, the House of Representatives passed H.R. 1234, the "Fair Practices in Automotive Trade Act," by a 219 to 199 vote. Commonly referred to as the domestic content bill, the margin of victory in the House of H.R. 1234 was slightly less this year than last when a similar bill passed 215 to 188.

H.R. 1234 requires that a certain percentage of a car's content (parts and labor) be manufactured in the U.S. NADA strongly opposed domestic content in the House and will continue to oppose the Senate version of the bill, S. 707.

No Senate action on the bill is expected until February at the earliest. Dealers should contact their senators and urge them to oppose S. 707 should it come to the Senate floor. Last session, the Senate did not vote on the bill.

Below is a list of how House members voted on the bill. NADA encourages dealers to contact those members who voted against H.R. 1234 and thank them for their vote.

Voted for H.R. 1234—Against NADA's Position

Ackerman (D-NY)
Addabbo (D-NY)
Akaka (D-HI)
Albosta (D-MI)
Alexander (D-AR)
Annunzio (D-IL)
Applegate (D-OH)
Aspin (D-WI)
Barnes (D-MD)
Berman (D-CA)
Bevill (D-AL)
Biaggi (D-NY)
Boggs (D-LA)
Boland (D-MA)
Boner (D-TN)
Bonior (D-MI)
Borski (D-PA)
Boxer (D-CA)
Britt (D-NC)
Brooks (D-TX)
Brown, G. (D-CA)
Bryant (D-TX)
Burton, D. (R-IN)
Burton, S. (D-CA)
Carper (D-DE)
Carr (D-MI)
Clay (D-MO)
Coleman, R. (D-TX)
Coleman, E. (R-MO)
Collins (D-IL)
Conte (R-MA)
Conyers (D-MI)
Coughlin (R-PA)
Coyne (D-PA)
Crockett (D-MI)
D'Amours (D-NH)
Davis (R-MI)
Dellums (D-CA)
Dingell (D-MI)
Dixon (D-CA)
Donnelly (D-MA)
Downey (D-NY)
Durbin (D-IL)
Dwyer (D-NJ)
Dymally (D-CA)
Dyson (D-MD)
Early (D-MA)
Eckart (D-OH)
Edgar (D-PA)
Edwards, D. (D-CA)
English (D-OK)
Erdreich (D-AL)
Evans, L. (D-IL)
Fascell (D-FL)
Fazio (D-CA)
Feighan (D-OH)
Ferraro (D-NY)
Fish (R-NY)
Flippo (D-AL)
Florio (D-NJ)
Foglietta (D-PA)
Ford, H. (D-TN)
Ford, W. (D-MI)
Fowler (D-GA)
Frank (D-MA)
Frost (D-TX)
Garcia (D-NY)
Gaydos (D-PA)
Gejdenson (D-CT)
Gephardt (D-MO)
Gilman (R-NY)
Gingrich (R-GA)
Gonzalez (D-TX)
Goodling (R-PA)
Guarini (D-NJ)
Hall, K. (D-IN)
Hall, R. (D-TX)
Hall, S. (D-TX)
Hall, T. (D-OH)
Hamilton (D-IN)
Harkin (D-IA)
Harrison (D-PA)
Hawkins (D-CA)
Hayes, C. (D-IL)
Hertel (D-MI)
Hillis (R-IN)
Howard (D-NJ)
Hoyer (D-MD)
Hubbard (D-KY)
Hughes (D-NJ)
Hunter (R-CA)
Johnson (R-CT)
Jones, E. (D-TN)
Kaptur (D-OH)
Kastenmeier (D-WI)
Kennelly (D-CT)
Kildee (D-MI)
Kindness (R-OH)
Kogovsek (D-CO)
Kolter (D-PA)
Kostmayer (D-PA)
LaFalce (D-NY)
Lantos (D-CA)
Latta (R-OH)
Leach (R-IA)
Lehman (D-CA)
Leland (D-TX)
Levin (D-MI)
Levine (D-CA)
Lipinski (D-IL)
Long, C. (D-MD)
Long, G. (D-LA)
Luken (D-OH)
Lundine (D-NY)
Madigan (R-IL)
Markey (D-MA)
Martin, L. (R-IL)
Martinez (D-CA)
Matsui (D-CA)
Mavroules (D-MA)
McCloskey (D-IN)
McDade (R-PA)
McEwen (R-OH)
McKinney (R-CT)
McNulty (D-AZ)
Mikulski (D-MD)
Miller, G. (D-CA)
Mineta (D-CA)
Minish (D-NJ)
Mitchell (D-MD)
Moakley (D-MA)
Mollohan (D-WV)
Moody (D-WI)
Morrison (D-CT)
Mrazek (D-NY)
Murphy (D-PA)
Murtha (D-PA)
Natcher (D-KY)
Nichols (D-AL)
Nowak (D-NY)
O'Brien (R-IL)
Oakar (D-OH)
Oberstar (D-MN)
Obey (D-WI)
Ortiz (D-TX)
Ottinger (D-NY)
Ownes (D-NY)
Patterson (D-CA)
Pease (D-OH)
Penny (D-MN)
Pepper (D-FL)
Perkins (D-KY)
Price (D-IL)
Rahall (D-WV)
Rangel (D-NY)
Ratchford (D-CT)
Regula (R-OH)
Richardson (D-NM)
Rinaldo (R-NJ)
Rodino (D-NJ)
Roe (D-NJ)
Roemer (D-LA)
Rogers (R-KY)
Rose (D-NC)
Roybal (D-CA)
Russo (D-IL)
Sabo (D-MN)
Savage (D-IL)
Sawyer (R-MI)
Scheuer (D-NY)
Schneider (R-RI)
Schroeder (D-CO)
Schumer (D-NY)
Seiberling (D-OH)
Shannon (D-MA)
Sharp (D-IN)
Shelby (D-AL)
Sikorski (D-MN)
Siljander (R-MI)
Simon (D-IL)
Sisisky (D-VA)
Skelton (D-MO)
Smith, L. (D-FL)
Smith, C. (R-NJ)
Snyder (R-KY)
Solomon (R-NY)
St. Germain (D-RI)
Staggers (D-WV)
Stark (D-CA)
Stokes (D-OH)
Stratton (D-NY)
Studds (D-MA)
Swift (D-WA)
Tauzin (D-LA)
Torres (D-CA)
Torricelli (D-NJ)
Towns (D-NY)
Traxler (D-MI)
Udall (D-AZ)
Vandergriff (D-TX)
Vento (D-MN)
Volkmer (D-MO)
Walgren (D-PA)
Watkins (D-OK)
Weaver (D-OR)
Weiss (D-NY)
Wheat (D-MO)
Williams, L. (R-OH)
Williams, P. (D-MT)
Wilson (D-TX)
Wirth (D-CO)
Wise (D-WV)
Wolpe (D-MI)
Wright (D-TX)
Yates (D-IL)
Yatron (D-PA)
Young, D. (R-AK)
Young, R. (D-MO)
Zablocki (D-WI)

Voted Against H.R. 1234—For NADA's Position

Anderson (D-CA)
Andrews, M. (D-TX)
Andrews, I. (D-NC)
Anthony (D-AR)
Archer (R-TX)
AuCoin (D-OR)
Badham (R-CA)
Barnard (D-GA)
Bartlett (R-TX)
Bateman (R-VA)
Bates (D-CA)
Bedell (D-IA)
Beilenson (D-CA)
Bennett (D-FL)
Bereuter (R-NE)
Bethune (R-AR)
Bilirakis (R-FL)
Bliley (R-VA)
Boehlert (R-NY)
Bonker (D-WA)
Bosco (D-CA)
Boucher (D-VA)
Breaux (D-LA)
Broomfield (R-MI)
Brown, H. (R-CO)
Broyhill (R-NC)
Byron (D-MD)
Campbell (R-SC)
Carney (R-NY)
Chandler (R-WA)
Chappell (D-FL)
Chappie (R-CA)
Cheney (R-WY)
Clarke (D-NC)
Clinger (R-PA)
Coats (R-IN)
Conable (R-NY)
Cooper (D-TN)
Corcoran (R-IL)
Courter (R-NJ)
Craig (R-ID)
Crane, D. (R-IL)
Crane, P. (R-IL)
Daniel (D-VA)
Dannemeyer (R-CA)
Daschle (D-SD)
Daub (R-NE)
de la Garza (D-TX)
Derrick (D-SC)
DeWine (R-OH)
Dickinson (R-AL)
Dicks (D-WA)
Dorgan (D-ND)
Dreier (R-CA)
Duncan (R-TN)
Edwards, J. (R-AL)
Edwards, M. (R-OK)
Emerson (R-MO)
Erlenborn (R-IL)
Evans, C. (R-IA)
Fiedler (R-CA)
Fields (R-TX)
Foley (D-WA)
Forsythe (R-NJ)
Franklin (R-MS)
Frenzel (R-MN)
Fuqua (D-FL)
Gekas (R-PA)
Gibbons (D-FL)
Glickman (D-KS)
Gore (D-TN)
Gradison (R-OH)
Gramm (R-TX)
Green (R-NY)
Gregg (R-NH)
Gunderson (R-WI)
Hammerschmidt (R-AR)
Hansen, G. (R-ID)
Hansen, J. (R-UT)
Hartnett (R-SC)
Hatcher (D-GA)
Hefner (D-NC)
Heftel (D-HI)
Hightower (D-TX)
Hiler (R-IN)
Holt (R-MD)
Hopkins (R-KY)
Huckaby (D-LA)
Hutto (D-FL)
Hyde (R-IL)
Ireland (D-FL)

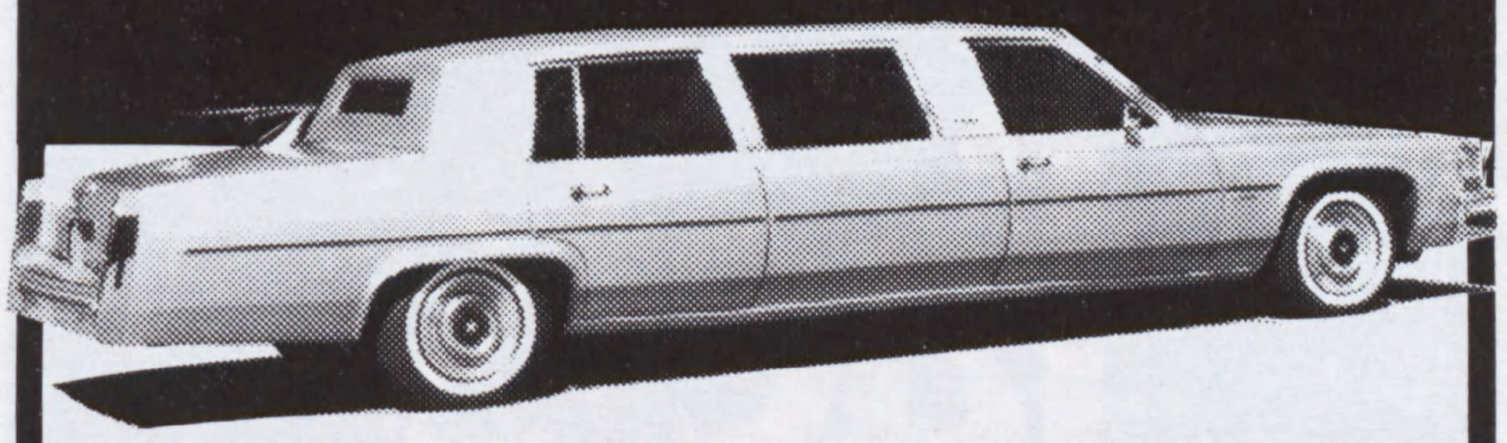
Jeffords (R-VT)
Jenkins (D-GA)
Jones, J. (D-OK)
Jones, W. (D-NC)
Kasich (R-OH)
Kazen (D-TX)
Kemp (R-NY)
Kramer (R-CO)
Lagomarsino (R-CA)
Leath (D-TX)
Lent (R-NY)
Levitas (D-GA)
Lewis, J. (R-CA)
Lewis, T. (R-FL)
Livingston (R-LA)
Lloyd (D-TN)
Loeffler (R-TX)
Lott (R-MS)
Lowery (R-CA)
Lujan (R-NM)
Lungren (R-CA)
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Martin, J. (R-NC)
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McHugh (D-NY)
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Mica (D-FL)
Michel (R-IL)
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Montgomery (D-MS)
Moore (R-LA)
Moorhead (R-CA)
Morrison (R-WA)
Myers (R-IN)
Neal (D-NC)
Nelson (D-FL)
Nielson (R-UT)
Olin (D-VA)
Oxley (R-OH)
Packard (R-CA)
Panetta (D-CA)
Parris (R-VA)
Pashayan (R-CA)
Patman (D-TX)
Petri (R-WI)
Pickle (D-TX)
Porter (R-IL)
Pritchard (R-WA)
Pursell (R-MI)
Quillen (R-TN)
Ray (D-GA)
Reid (D-NV)
Ridge (R-PA)
Roberts (R-KS)
Robinson (R-VA)
Rostenkowski (D-IL)
Roth (R-WI)
Roukema (R-NJ)
Rowland (D-GA)
Rudd (R-AZ)
Schaefer (R-CO)
Schulze (R-PA)
Sensenbrenner (R-WI)
Shaw (R-FL)
Shumway (R-CA)
Shuster (R-PA)
Skeen (R-NM)
Slattery (D-KS)
Smith, R. (R-OR)
Smith, D. (R-OR)
Smith, N. (D-IA)
Smith, V. (R-NE)
Snowe (R-ME)
Spence (R-SC)
Spratt (D-SC)
Stangeland (R-MN)
Stenholm (D-TX)
Stump (R-AZ)
Sundquist (R-TN)
Synar (D-OK)
Tauke (R-IA)
Taylor (R-MO)
Thomas, R. (D-GA)
Thomas, W. (R-CA)
Valentine (D-NC)
Vander Jagt (R-MI)
Vucanovich (R-NV)
Walker (R-PA)
Waxman (D-CA)
Weber (R-MN)
Whitehurst (R-VA)
Whitley (D-NC)
Whittaker (R-KS)
Winn (R-KS)
Wolf (R-VA)
Wortley (R-NY)
Wyden (D-OR)
Young, B. (R-FL)
Zschau (R-CA)

14 Members Did Not Vote, 1 Voted "Present"

Coelho (D-CA)
Dowdy (D-MS)
Gray (D-PA)
Hance (D-TX)
Horton (R-NY)
Jacobs (D-IN)
Lowry (D-WA)
McCurdy (D-OK)
Paul (R-TX)
Ritter (R-PA)
Solarz (D-NY)
Tallon (D-SC)
Whitten (D-MS)
Wylie (R-OH)
Voting Present:
Lehman, W. (D-FL)

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Krex

(For more information circle #15)

Calendar

January

4 to 8. National Capital Area Auto Show, Washington Convention Center, Washington, DC

7 to 15. The New Philadelphia Auto Show, Philadelphia Civic Center, Philadelphia

11 to 12. Midwest Auto Dealers Exposition, Indiana Convention Center, Indianapolis

21 to 29. 1984 Pennsylvania Auto Show, State Farm Show Complex, Harrisburg, PA

24 to 26. Pacific Automotive Show, Anaheim Convention Center, Anaheim, CA ■

February

4 to 7. 67th Annual NADA Convention & Exposition, Dallas Convention Center, Dallas

7 to 12. Automotive Parts and Accessories Association Winter Meeting, La Costa, Carlsbad, CA

8 to 12. Milwaukee International Auto Show, Convention Hall, Milwaukee

11 to 15. RVIA Annual Meeting, Posada Vallarta Hotel, Puerto Vallarta, Mexico

11 to 19. 76th Annual Chicago Auto Show, McCormick Place, Chicago

15 to 19. York Auto Show, York Fair Grounds, York, PA

25 to 27. Automotive Service Industry Association National Convention, Hyatt Regency, Chicago

27 to March 2. SAE International Congress & Exposition, Cobo Hall, Detroit

28 to March 1. International Automotive Aftermarket Show, McCormick Place, Chicago ■

March

6 to 8. Import Automotive Parts Show, Sheraton-Anaheim Hotel, Anaheim, CA

21 to 24. National Truck Equipment Association Convention and Supershow II, Convention Center, Baltimore ■

April

6 to 13. Missouri Automobile Dealers Association Convention, Riviera Hotel/Rancho Las Palmas, Las Vegas/Palm Springs, CA

7 to 10. TRX-84: American Truck Dealers Convention & Exposition, Phoenix Convention Center, Phoenix, AZ ■

May

10 to 13. South Carolina Automobile & Truck Dealers Association Convention, Hyatt Hotel, Hilton Head Island, SC □

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(For more information circle # 4)

Developing a Competitive Spirit

This is the year of the winter Olympics in Sarajevo, Yugoslavia, and the summer Olympics in Los Angeles, so the competitive spirit in athletes from around the world is especially strong. The Olympic motto is *Citius, Altius, Fortius,* which is Latin for swifter, higher, stronger.

Every runner is aware of the old saying, "Don't look back, someone might be gaining on you." Everyone facing hurdles or pole-vaulting knows what it means to aim higher. Every decathlon entrant knows strength must be developed to be a winner.

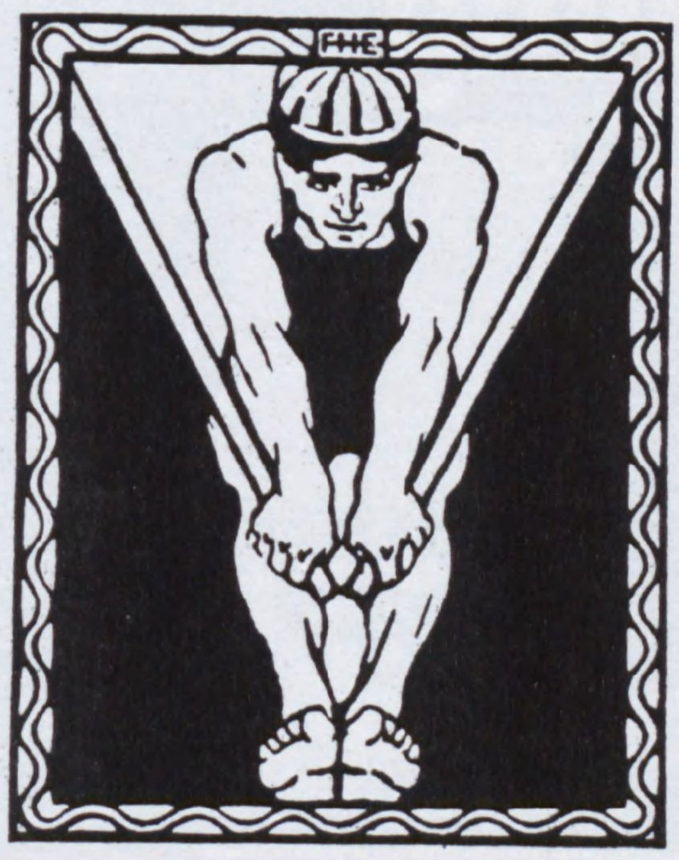
And winning is what it's all about.

But you don't have to be an athlete to know that. Every automobile salesperson knows that. You know you have to be fast to beat your competition, you know you have to aim high to meet or beat your quotas, and you know you have to be strong, not in physical strength perhaps, but strong in product knowledge—your own vehicles as well as competitive makes—and strong in sales presentations.

That is the spirit that can make you number one. Believe me, the competitive spirit is the only game in town.

Let's consider your competition. You know you have competition with the other salespeople in your dealership. They, like you, are out to break records. They're out on the floor making sales presentations and giving demonstration rides, just like you. They're out to close as many deals as possible, just like you. That kind of competition is just a few feet away.

You know you've got competition with the salespeople in the dealership "across the street," and even on the other side of town. They may sell the same make you do, or they may sell a competitive make. They'd like to break your records and they're out to do so. That kind of competition is always breathing down your neck.



You've given a lot of thought to those two kinds of competition, but I'll bet you haven't given too much thought to another kind of competition that's even more important—the kind that really sets you on the course of becoming number one.

Competition with yourself! It can be the toughest competition you face. Breathing down your own neck can be the best competition you'll ever have. No one can keep you on your toes better than you can.

Face it, you thrive on competition—if you didn't, you probably wouldn't be in the profession of selling cars. I know it is true that the *best* competition is when you compete with yourself—against your own past track record.

Professional salespeople have two outstanding qualities. First, they have the desire to sell. They enjoy finding prospects and turning them into customers and repeat customers. They have a genuine desire to find out and meet a customer's needs. They like people and are willing to give generously of themselves.

Second, all successful salespeople must have the ability to sell. The ability to prospect, to qualify, to make effective sales presentations, to close—and to follow through. They take advantage of all the training they can get, use the tools at their command and practice good selling techniques. They are always seeking ways to improve themselves.

But, I'd like to add a third quality that is just as important as the others. Successful salespeople must develop a competitive spirit. They should look forward to the race and set their sights on winning. They know that at some time they'll meet up with that "runner's wall," but with just one ounce more of effort they'll get their second wind.

Try competing against yourself. You'll never feel better. Your efforts to beat your own achievements are what help make you a number-one salesperson. But, before you even set out to do that, you must first sell yourself on the idea of competing against yourself. You must want to do it. There is disappointment, of course, when someone else takes the lead and holds it, but the disappointment is even greater when you do it yourself. The stiffest competition you'll ever face is *you*. So, right now, start selling yourself on the fact that you're a winner and that you intend to stay a winner.

Sacrifices? Sure. Try getting out of bed an hour earlier every morning. Turn that sack time into selling time. Try staying on the job an extra hour every day. Pick up that telephone and make 20 extra prospecting calls a day. In short, do everything you can to compete with yourself and come in a winner.

So, this year, make the Olympic motto—swifter, higher, stronger—your own personal motto. What better rule to live by for selling yourself? □

This column is prepared exclusively for **Automotive Executive** *by Joe Girard, named the World's Greatest Salesman 12 times by the Guinness Book of World Records. All questions or comments pertaining to this column should be mailed to:* **Selling Yourself, *Automotive Executive*, 8400 Westpark Drive, McLean, VA 22102-3593.**

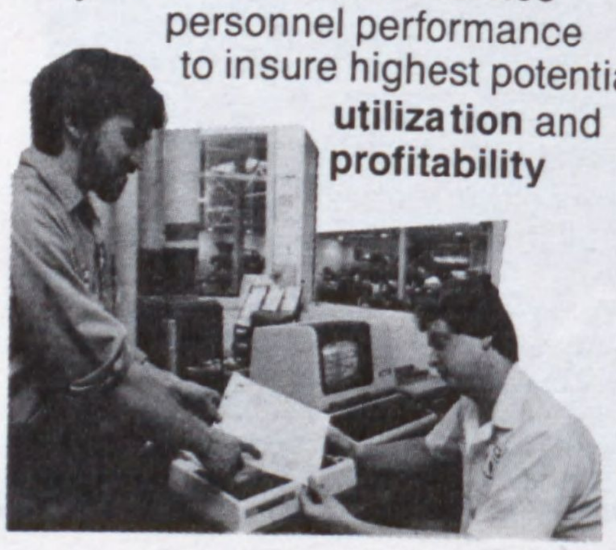
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(For more information circle #22)

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ATD	821-7117
ATAM Relations	821-7070
AUTOCAP	821-7144
Automobility Foundation	821-7120
Automotive Executive	821-7150
Communications	821-7012
Convention	821-7142
Corporate Secretary	821-7181
Dealer Academy	821-7216
DEAC	821-7110
Estate Planning	821-7276
Executive Vice-President	821-7103
Industry Analysis/ Dealership Operations	821-7207
Industry Relations	821-7052
Legal	821-7046
Legislative	821-7038
Media & Consumer Affairs	821-7298
Management Education	821-7227
Membership	821-7113
NADA Newsletter	821-7147
NADIT	821-7173
Public Relations	821-7120
Regulatory Affairs	821-7045
Retirement Trust	821-7248
Sales Trak	821-7182
Services Corp.	821-7078
Service Systems	821-7234
Twenty Groups	821-7220
Used Car Guide Co.	821-7190

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PRODUCTS & SERVICES

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19	Security Pacific National Bank	14-15
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87	FMC Corp., Automotive Service Equipment Division	68

Body Shop Update

The body shop business has changed rapidly in the past few years. Many new innovations in automobile manufacturing have made tool and supply companies scramble to keep pace. Many states are licensing body shops; this, along with the expensive equipment now required, is weeding out the "backyard" body shops. Dealers are changing their attitude and operational format for body shops from convenience to profits.

There's new or updated equipment available including wire feed welders, paint-mixing equipment and frame equipment.

Wire Feed Welders

The new design sheet metal on today's cars consists of very thin high carbon steel parts and skins. The unibody design which supports the entire car and the MacPherson suspensions supported by these bodies dictate a small margin of error during repair. Some of the manufacturers have issued repair bulletins stating that any welding to be done on these cars is to be performed with a wire feed welder. Likewise, some insurance companies require their use. A wire feed welder, if used correctly, will produce a solid weld at a lower temperature; it is also easier to use. These benefits make it possible to duplicate factory integrity without warping or weakening the surrounding areas. In operation a wire feel welder is similar to any DC arc welder in its power supply. A wire welder, or MIG as it's commonly known, uses lower amperage because the thin wire used for welding requires less current. The MIG also makes use of protection gas to shield the arc and keep air out. The operation is very simple. The operator pulls the trigger on the gun, the wire feeds, and gas and welding current are started automatically. The operator only has to guide the gun; the machine does the rest. The benefits of the system are lower cost of materials, faster repairs, less warpage, higher quality repairs and ease of use.

Paint Mixing Equipment

Paint matching has been compared to the weather. Everybody talks about it, but nobody does anything. Recently, however, paint manufacturers have developed a simple to use, downsized shop paint-mixing machine. The machines are costly but save in materials, labor and customer complaints. They come complete with instructions, formulas and all necessary hardware. It is still necessary sometimes, however, to blend paint several times in order to match, but at least the final result will be correct, assuming your painters adhere to the basics of proper preparation.

Frame Equipment

Heavy frame machines are now being used even for small pulls on unibodies. The ability of a sophisticated machine to hold down a body and pull from several directions simultaneously allows for exact duplication of original body measurements. Some of the newer machines use a laser-type beam to aid in exacting measurements. The unibody design dictates exacting repairs that are more readily performed on the proper equipment. Unlike framed vehicles that can be pulled back if you overpull, a unibody cannot be. This makes it critical to know exactly where you are at every stage of pulling. The cost of these machines, even on the used market, is prohibitive for all but the larger shops. The earning potential of a machine is great, but so is the potential for damage to cars on the rack. Extensive equipment operation training is imperative.

Safety First

You may reach a point in business where you can look around your shop and be temporarily satisfied with your equipment. That should never happen with shop safety. The nature of body work presents unlimited potential (but preventable) hazards. There have been numerous posters, pamphlets and self-audit checklists on safety published by several paint and equipment manufacturers. Some of the topics covered are disposition of wastes; electrical equipment maintenance; personal safety, such as breathing apparatus, uniforms and eye protection; storage of materials; air filtration systems; and safety training. However, it is up to the people to adhere to regulations and up to the managers to reinforce them.

In-Service Training

Training is an essential function of all managers. Whether we conduct it ourselves or arrange to have it done, it is mandatory with today's rapidly changing technology. You can obtain the training through trade associations, OEMs, technical schools and community colleges.

In-house training is very important too. In a formal session with your best painter, for example, review a new procedure using hand-out literature. Then perform a simple repair and allow everyone to participate "hands on." I have found the in-house training method very effective because it covers only one or two new procedures at a time, is conducted in familiar surroundings by a respected member of the shop, and allows immediate practice. Body repairs take practice to perfect, and many schools do not provide sufficient hands-on time. By conducting as much training in-house as possible, you can better control your training goals. □

This column is prepared for **Automotive Executive** *by Ron Joffe, Service Director, Straub Motors Inc. All questions or comments pertaining to this column should be mailed to:* **The Service Department, *Automotive Executive*, 8400 Westpark Drive, McLean, VA 22102-3593.**

WE CAN'T GUARANTEE YOU'LL NEVER HAVE A HEART ATTACK. BUT A FEW FACTS CAN IMPROVE YOUR ODDS.

EXERCISE GOOD SENSE. It's smart to have a physical before beginning any new exercise program. And choose activities to build cardiovascular endurance. The American Heart Association has information to get you started.

EAT TO YOUR HEART'S CONTENT. Because a high-fat diet can contribute to your risk of coronary artery disease, choose foods that are low in saturated (animal) fats and cholesterol. And stay on your best behavior: the good die old.

LEARN TO LIVE. For medical advice, your physician is a good source of information on your individual risk of heart disease and stroke. For helpful ideas on helping to prevent these health problems, contact the American Heart Association.

HIGH BLOOD PRESSURE. It often has no symptoms! So have your blood pressure checked regularly, no matter how well you feel. If it's high, take your doctor's advice. Then stick with your treatment program.

OVERWEIGHT OVERBURDENS. Stay at a healthy weight. If you need to lose, do it sensibly. By following a low-fat, nutritious meal plan. The American Heart Association can suggest good reducing diets; consult your doctor, too.

SMOKING? STOP! No cigarette is safe. And the sooner you quit the better. But take heart: within just a few years of stopping, your risk of death from cardiovascular disease will be almost the same as if you had never smoked.

WE'RE FIGHTING FOR YOUR LIFE

American Heart Association

Tax Brakes

Golf Outing Turns into a Tax Bogey

There are sand traps. And there are tax traps. This sad tale involves both.

A company—let's call it Go Go Inc.—promoted a three-day golf outing at a resort. The agenda was vacation-like: Dinner and open bar the first night; golf activities with dinner followed by awards the second day; departure after breakfast on the last day. The festivities were enjoyed by 49 employees of Go Go and 108 representatives of customers. The Go Go employees documented discussions of a general nature with the customers.

Can Go Go deduct the expenses of the outing: food, lodging, golf fees, prizes and transportation? No, says the IRS (Letter Ruling 8315006). Shocked? Don't be. The IRS is right. The law clearly does not allow a deduction if the entertainment occurred under circumstances where there was little or no possibility of engaging in the active conduct of business.

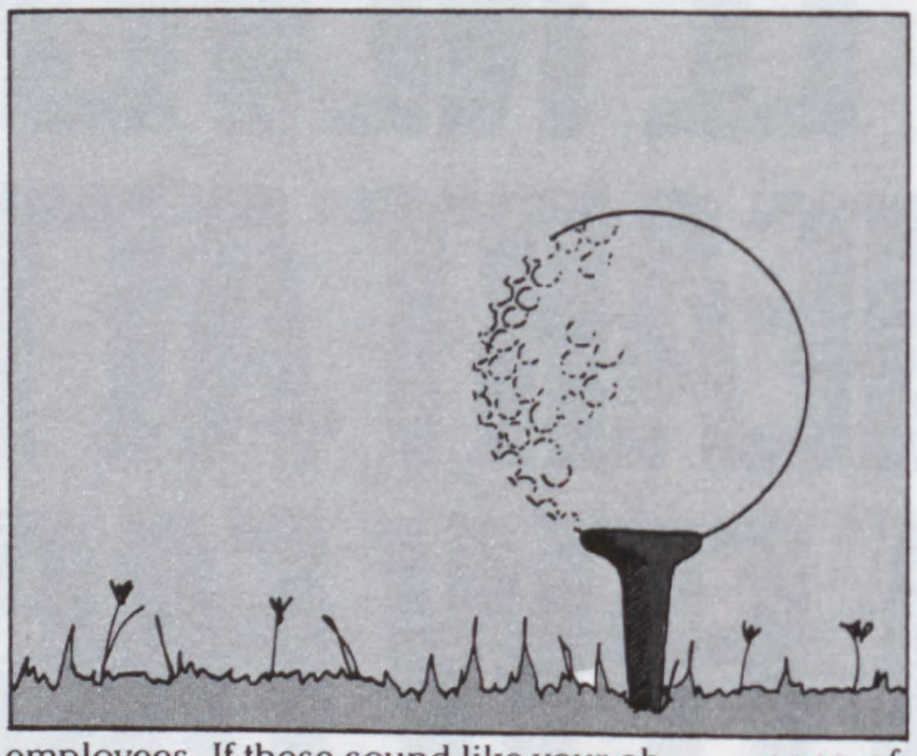
Sure, the activity was business-related and of a general economic benefit to Go Go. Even the IRS conceded that. But the fact remains, such activities are primarily non-deductible goodwill.

Could the deduction have been saved? Yes. If the agenda had included bona fide and substantial business discussions before or after the fun-time activities, the golf outing expenses would have been 100-percent deductible. ■

How To Cut Profit-Sharing Plan Costs

Every time a client comes to the office to discuss profit-sharing plans, I ask him or her this question, "Do you want to favor the highly paid people?"

Most owner/employee clients say they (a) would like to put away as much as the law allows or as much as they can afford, and (b) would like to eliminate or reduce the amount that must be put away for low-paid employes. Simply put: Maximize the benefits for the boss (or bosses), eliminate (or reduce) the benefits for all (or most of) the other



employees. If these sound like your objectives, you are not a Scrooge—you are typical.

Most people don't know this, but there are basically two types of profit-sharing plans—integrated and non-integrated. An integrated plan considers that you already provide benefits to every employee for the first $35,700 earned each year via the Social Security system. Maybe you don't think of it that way, but you do.

An example will show the dramatic results possible. Assume the company wants to contribute 10 percent of each employee's salary to the profit-sharing plan and you want to compute the contribution for the owner, who earned $85,700. If the plan is not integrated, the owner's contribution is $8,570 (10 percent of $85,700). An integrated plan for the owner calls for a $5,000 contribution ($85,700 less $35,700 equals $50,000 at 10 percent). Now watch this: A salesperson earns $31,000 per year, making the contribution when the plan is not integrated at $3,100 (10 percent of $31,000). With an integrated plan, the salesperson's contribution is zero (the $35,700 integration level is greater than the $31,000 salary). Please understand, the salesperson is in the plan, but doesn't get a contribution as long as the earnings are below $35,700.

The above does not attempt to explain all the rules and exceptions. See a consultant who specializes in this area. You may be pleasantly surprised by the money-saving results with an integrated profit-sharing plan. ■

New Rules Make Meals Easy To Deduct

When you put your business show on the road, travel expenses are deductible. That's not new. But if you're a lousy record keeper, you will like the new election available concerning meal allowances.

Here's the rule: You can deduct a standard meal allowance of $14 per day for travel that requires a stay of less than 30 days in one general locality; or $9 per day for travel that requires a stay of 30 days or more in one general locality. Whether your meals cost you more or less, these per-day amounts cannot be questioned by the IRS. All you need do is substantiate the elements of time, place and business purpose (Rev. Proc. 83-71). Of course, you can elect to deduct the actual (and most likely, higher) amount of your meals by meeting the normal required proof.

You cannot flip-flop your method from trip to trip. You must elect either the standard-meal-allowance method or the actual-amount-spent method for the entire year. All other travel expenditures, such as lodging and transportation costs, must be proved in the usual manner. When you pick up the tab after entertaining a customer or other business associate at a business meal while away from home, you must use the actual amount spent for their meal. □

This column is prepared as an automotive exclusive for **Automotive Executive** *by Irving Blackman, a certified public accountant and attorney. All comments or questions pertaining to this column should be mailed to:* **Blackman, Kallick & Co., 180 N. LaSalle St., Chicago, IL 60601.**

Other Voices

Applauding Dealers' Efforts

The automobile dealers in our nation's communities have played an important role in the fight against drunk driving, and I just know they will accomplish considerably more in years to come. We in the Presidential Commission on Drunk Driving are grateful to dealers for their determination and continuing efforts to curb drunk-driving accidents.

Alcohol and the automobile operating in tandem is a potentially deadly combination. I've often thought the automobile dealer really takes a bad rap because his or her product is one of the tandem components. My position is that the automobile doesn't drive drunk; its operator does. You can't fault the automobile manufacturer and the dealer for an intolerable condition that is totally beyond their control.

That condition notwithstanding, dealers have fully demonstrated their willingness to step forward, along with MADD, SADD, RID and many more, in the giant, painstaking effort to eliminate drunk driving. We are indeed grateful to NADA.

Eugene V. Lipp
Executive Director
Presidential Commission on Drunk Driving
Washington, DC

A Long-Time Dealer Responds

Thanks so much for the wonderful piece on Stillman and Hoag in the article, "So Brief the Years: The 75th Anniversary of General Motors" (October 1983). I think that issue is the very best one NADA has published, and I have heard nothing but rave compliments over its scope, quality and diversity of material.

Again, thank you for including Stillman and Hoag; my dad [Walter W. Stillman] and I are flattered to be in this wonderful issue.

Walter R. Stillman
Stillman and Hoag Inc.
Englewood, NJ

Rave Review for AUTOCAP

Most AUTOCAPs work closely with local media consumer-action programs, and the Northern California AUTOCAP is no exception. The following excerpt is from a letter sent recently to Stephen Snow, executive vice president of the Northern California Motor Car Dealers Association, sponsor of the Northern California AUTOCAP.

"After handling more than 14,000 individual cases with a wide variety of businesses and institutions, we have formulated some fairly strong impresions of how adequately various industries handle consumer problems.

"AUTOCAP is, without a doubt, among the most effective, efficient and credible consumer resources operating in this area at present. Since its opening in the spring of 1982, AUTOCAP has become one of our most respected and trustworthy referrals to our callers. Prompt and objective attention was given to referred cases.

"Your membership is well-represented and customers are well-served by the availability of this important service."

Alice Carnes and
Barbara Kaufman
KCBS News Radio's Call for Action program
San Francisco, CA

Editor's Note: For more information on AUTOCAP, see the September 1983 issue of Automotive Executive.

WIN A PRIZE

Everybody likes to win. Why not get people into your showroom by offering a new car to some lucky person who's social security number matches up with the vehicle's serial number? Or maybe offer a new car as a halftime promotion at your local basketball games. You help the team and get great advertising benefits at the same time. **All for the low cost of the insurance premium.**

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Priorities in Eliminating Truck Taxes

The passage of the Surface Transportation Assistance Act last year resulted in an unfair increase in truck taxes. The excise tax (FET) on sales of heavy trucks was increased to 12 percent, and the annual Federal Highway Use Tax (FHUT) is scheduled for dramatic increases in July. Relief is needed from both FET and FHUT, and legislative action is necessary. Unfortunately, current legislation being pushed by the trucking industry only addresses relief from FHUT, and ignores the FET problem. Obtaining relief from FET deserves as much (or greater) attention as efforts on FHUT, and dealers need to help.

The large FHUT increases for July include a jump to $1,500 (from $280) per year for the heaviest trucks. To forestall this increase, the trucking industry is backing H.R. 2124/S. 1475, legislation that repeals FHUT and replaces revenues with an ultimate 5¢ per gallon increase in the diesel tax for trucks registered above 10,000 GVW. With the higher taxes due within six months, the truckers are stepping up pressure for quick passage of H.R. 2124/S. 1475.

These bills do not address FET—and that's somewhat puzzling. A 10-percent FET has been around for years; the increase to 12 percent took effect last April. Fighting an existing unfair tax should command as high a priority as fighting a future tax increase. Also, all of the deficiencies of FHUT exist to a greater degree with FET. FHUT is paid in advance annually. FET, however, is paid in advance for the life of the vehicle. FHUT is paid regardless of level of use, same as FET. Not only is FET not related to use, but it is a tax on capital investment. This discourages the purchase of more productive, fuel-efficient, safer new trucks.

Given that FET is more unfair than FHUT, why then is the trucking industry pushing legislation which ignores excise tax? Part of the problem is that although FET has been around for years, it has not been a very visible tax. Now that it is collected at retail, trucker awareness and concern for the tax may increase. But this will take time, so dealers have to make sure truckers become aware of FET *now*.

TABLE I

	3rd year in fleet	5th year in fleet	7th year in fleet
FET on $60,000 truck = $7,200	$2,400	$1,440	$1,029
Cost of money (7,200 x prime + 1%)	864	864	864
Insurance (estimate)	100	100	100
Proposed tax at ⅓ value x $8 rate minus 10 percent per year	171	152	133
FET COST PER YEAR	$3,535	$2,556	$2,126

Because it has received little attention, FET's impact on costs is poorly understood by truckers. Though the $1,500 per year FHUT payment is cause for serious concern, truckers should note they are paying much more than that through FET. Table I shows FET cost per year for a $60,000 truck. If these costs were widely understood, truckers might be more concerned with the excise tax.

One argument sometimes given for greater concern about the FHUT is that while FET is a large pre-paid tax, it is financed along with the cost of new vehicles. An annual $1,500 payment worries some truckers with cash-flow problems, because they are afraid they will be unable to borrow to pay FHUT. This may be a valid concern for some truckers, but someone unable to pay (or borrow for) a $1,500 FHUT is already in serious economic difficulty. The fuel tax increases that would come with H.R. 2124/S. 1475 would also seriously affect such individuals. Hopefully, the short-term cash-flow considerations of a small minority of truckers will not be placed before long-term economic rationality in developing a tax policy position.

An argument made by some truckers for giving prioirity to the user's tax is that the coming increases are not being accounted for in the rate structure. However, there is nothing special about FHUT that makes it more or less likely to be reflected in the rate structure than FET or any other cost of business. Market forces, not the type of taxation, will determine rate levels.

FHUT presents problems, and ATD wants to see these solved, but not at the expense of ignoring the FET problem. There are really no sound reasons for giving priority to the user's tax over the excise tax. Current proposed legislation does so only because of lack of awareness or misunderstanding of the impact of FET. What is needed is legislation that addresses both taxes. Even partial reduction of FET (which is done in H.R. 3435, introduced by Rep. Donald Ritter of PA) would be preferable to H.R. 2124/S. 1475.

Dealers must make the case to truckers that FET needs to be addressed. If legislation passes that deals only with FHUT, it most likely will be years before any action on FET would be seriously considered by Congress. By pushing H.R. 2124/S. 1475, truckers are giving Congress the impression FET is not important. Dealers need to combat this by presenting the case for eliminating the excise tax. If dealers don't work for this, no one else will. □

This column is prepared exclusively for **Automotive Executive** *by David Paxson, director of NADA's American Truck Dealers Division. All comments or questions pertaining to this column should be mailed to:* **Truck Focus, Automotive Executive, 8400 Westpark Drive, McLean, VA 22102-3593.**

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Special Showcase : Convention Exhibitors

American Sunroof Co., a division of ASC Inc., is introducing a new removable **top conversion** for the downsized GMC Jimmy and Chevrolet Blazer. Called the Sun Blazer, the conversion replaces the vehicle's existing fixed steel top with a factory-styled, lift-off fiberglass hardtop. The top features double-wall reinforced construction with a textured interior surface and a smooth finished exterior suitable for painting if desired. Manufacturer: American Sunroof Co., ASC Inc., Southgate, MI. ■

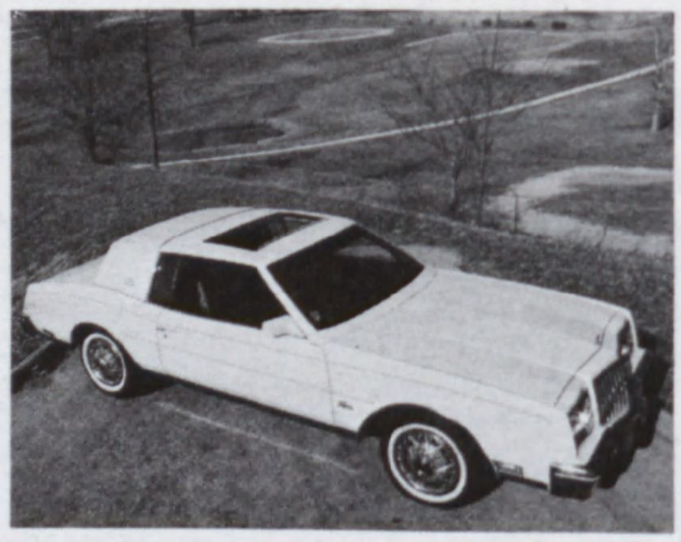
(For more information circle #81)



A "second generation" issue of **dealer sales aids**, now in full color, for Waxoyl Car-Life Rust Preventive and Automotive International's 4-Step Auto Preservation System, is now available. The complete kit includes wall banners, a pyramidal car-top display, a double-face tent display with leaflet pockets, stickers and warranty booklets. Manufacturer: Automotive International Inc., Cincinnati, OH. ■

(For more information circle #82)





Sky-Top Sunroofs Ltd. is introducing a large-size **power moonroof** to fit the 1984 Buick Riviera. The company says that the electronically operated, glass panel, sliding moonroof, which features a wide opening with an unobstructed view, will fit other large-size cars as well. Other features include the least headroom loss of any power moonroof, automatic wind deflector, stainless steel glass frame and matching trim ring, a privacy sunshade and luxurious interior finish. Manufacturer: Sky-Top Sunroofs Ltd., St. Louis. ■

(For more information circle #83)



Available from E&G Classics is a **simulated convertible top** for the Ford LTD/Mercury Marquis. The simulated convertible top kit is available in 12 colors. Manufacturer: E&G Classics, Columbia, MD. ■

(For more information circle #84)

Clarion Corp. is introducing its new 4000 Series of **AM/FM stereo cassette receivers**. The line of six units—four compact and two mini chassis—include illuminated tape doors, improved FM reception system and loudness contour. Manufacturer: Clarion Corp., Lawndale, CA. ■

(For more information circle #85)

Coin Financial Systems is producing three unique **software packages** for the Ford Motor Co. and Lincoln-Mercury dealers throughout the country. The three software packages, designed to run on Ford's DEC (Digital Equipment Company) Rainbow microcomputer, include a generic F&I program, a Customer Tracking System (Ctrac) and a Vehicle Inventory Control (VIC) program. The programs can be adapted to each individual dealer's needs. Manufacturer: Coin Financial Systems, Atlanta. ■

(For more information circle #86)

A redesigned 4000 Series **Computer Wheel Aligner** is now available from FMC Corp.'s Automotive Service Equipment Division. The unit, which features a contemporary cabinet design and "high-tech" black console face, is available in either roller cabinet or track-mounted models and includes self-calibration fixtures. An optional printer/recorder is also available. The unit performs two-and four-wheel alignment on all cars and light trucks. Manufacturer: FMC Corp., Automotive Service Equipment Division, Conway, AR. □

(For more information circle #87)

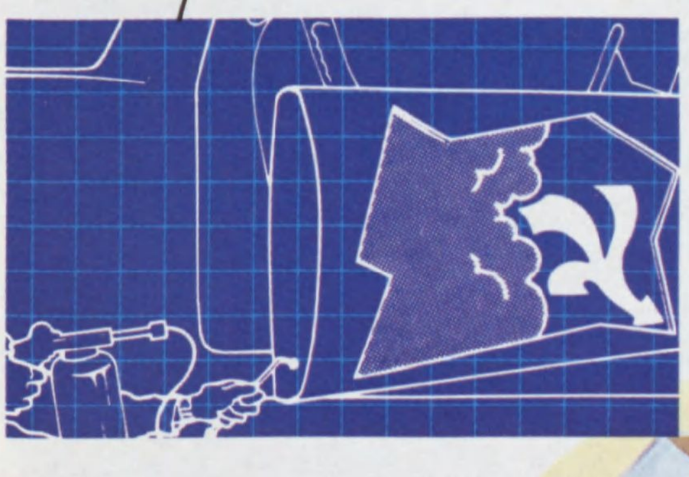


March's Special Showcase features rustproofing and protectants. Please send press release and a black-and-white glossy photograph of your product for consideration to: **Joan Rubin, showcase editor, *Automotive Executive*, 8400 Westpark Drive, McLean, VA 22102-3593.** *Materials must be received by January 25.*

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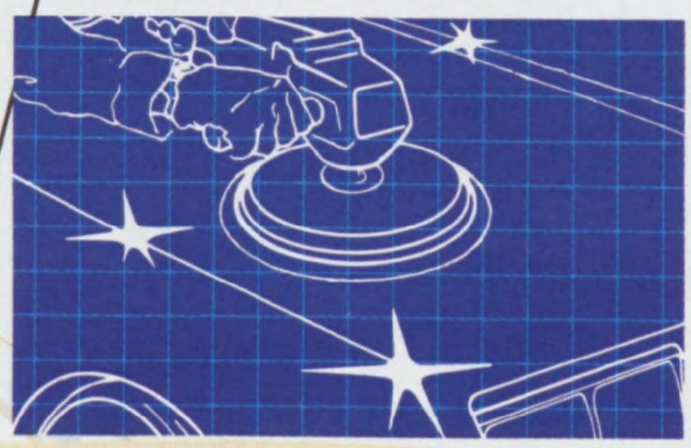
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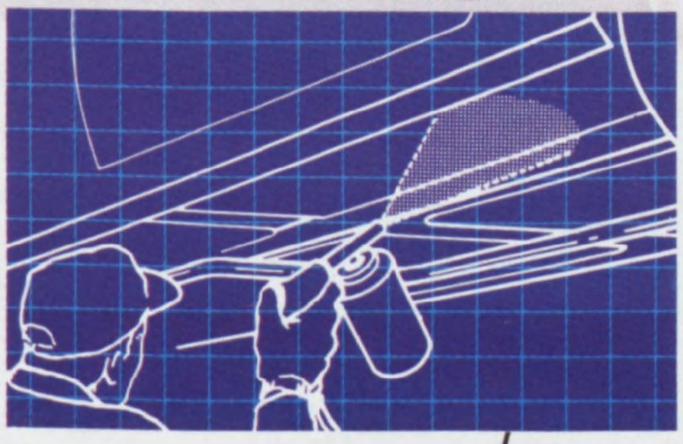
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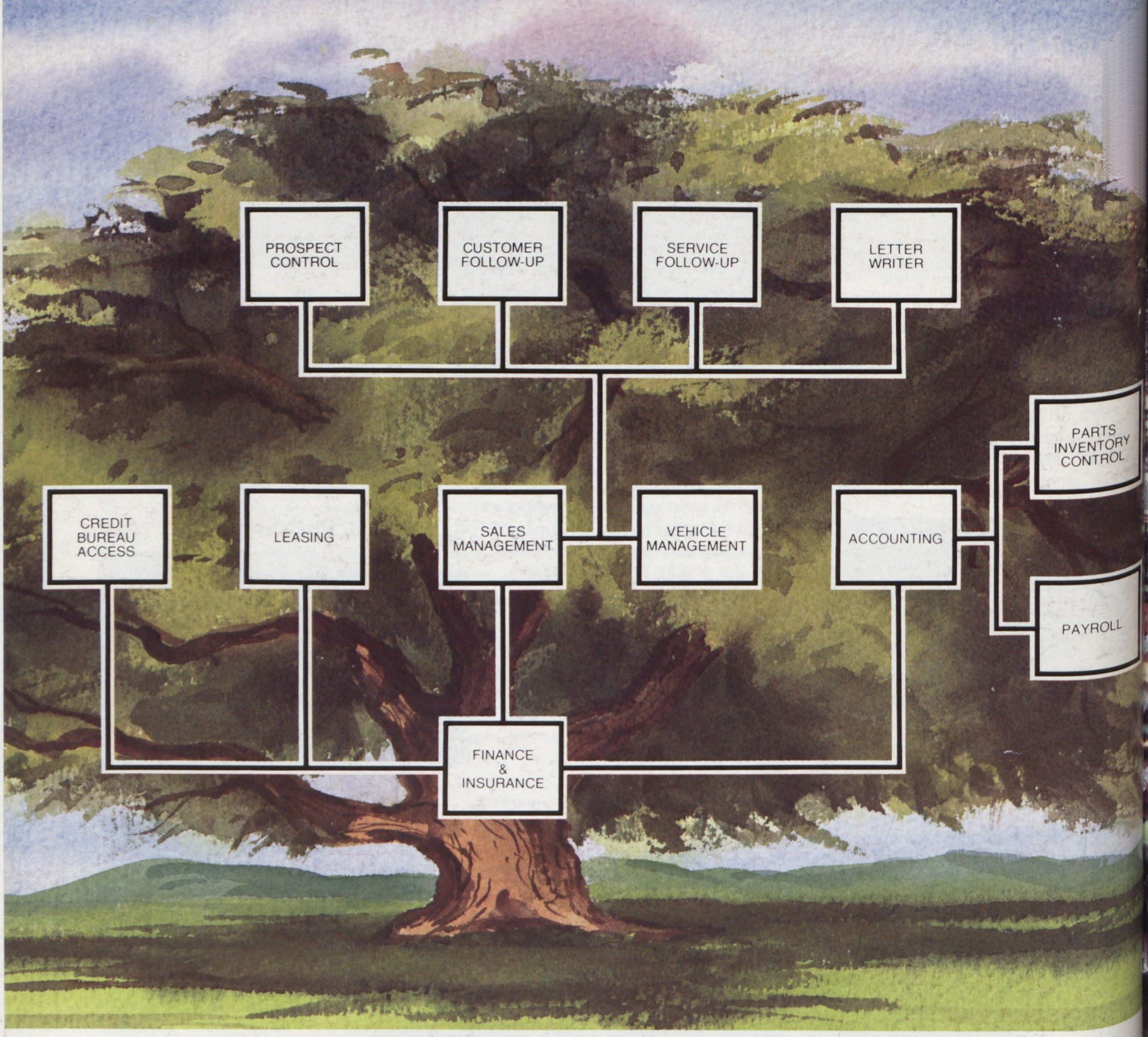
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